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NEW YEAR MARKS COMMENCEMENT OF NEW TRADE CYCLE

Stock Market Trend Backed by General Rise in Industry

NEW CAPITAL COMING

Recovery of Sterling Cannot But Mean Larger Purchase of Our Goods and Securities

The New Year opens with a decidedly more favorable outlook than any year since 1920. At that time business was just completing its post-war orgy of inflation. Then came the period of decline which has lasted 4½ years, and which only recently has shown signs of abatement. These signs have multiplied gradually until the dominant trend is once more upward. The cycle, in other words, if we may assume that it will act according to precedent, is beginning a new upward movement. It is only natural to look forward at this time in an attempt to foresee the probable trend of events during 1925.

For many, the strongest evidence that a new cycle has commenced is to be found in the action of the security markets here, and in the United States. Leaders in the financial community seem convinced that the rise in security values here, and the unprecedented advance which has been maintained now for more than two months in the New York market, are a definite foreshadowing of general business improvement. In the United States such a movement has already commenced. In Canada the development will be somewhat less rapid and spectacular, but the trend is in the same direction. Evidence that such a development is already underway is seen in the expansion reported in many of the basic lines of industry. Unfilled steel tonnage has risen rapidly in the States; demand for iron products has taken new life; European markets are absorbing larger quantities both of foodstuffs and of metal products from both countries. The purchase of railway equipment has increased on a large scale in the United States, and sizable orders have been received by Canadian firms for such equipment. Canadian steel mills have been working on very restricted schedules toward the close of the year, and users of iron and steel have been booking well ahead in anticipation of further price advances. It is, therefore, apparent that the production of finished or semi-finished materials will have to be enlarged in the near future, if only to replenish open mill stocks, and to provide for shipments against contracts. Announcement of the rolling stock requirements of the railways for 1925 is expected shortly. Eliminating the seasonal trend, freight car loadings are showing a decided increase. All these factors point to gradual business and industrial improvement through the months of 1925.

New Capital Coming

Looking to conditions abroad, one finds many factors favorable to Canadian recovery. Prominent among these is the rise in sterling exchange which is at present around 4.73. This is due principally to the return of funds to London which had been transferred elsewhere on account of political reasons. Low money rates in New York helped to drive this capital back to London in search of higher interest returns. The possible resumption of gold payments in Great Britain may be another factor in the return of these funds. In any event, this trend has two very important implications for Canada. The fact that sterling is only 2½ per cent. below par means a revival of interest in Canadian investments on the part of the British. During 1924 British participation in the total volume of Canadian bonds marketed was less than one per cent. Ten years ago the percentage was 70. Since 1922, when sterling began seriously to recover, the percentage of British investment in these issues has risen gradually. It is reasonable to expect that the return of sterling to par will mean the return of British capital to Canadian business and industry.

The other point of interest to Canada in the return of sterling is the prospective increase in the purchase of Canadian products. Exchange has been no small factor in turning Great Britain to the continent for the purchase of certain raw materials. With the recovery of sterling, a reversal of the recent decline in British imports of our goods is to be expected. This and other factors in the foreign situation are favorable to a gradual increase in the sale of Canadian goods during 1925.

WILL STOP ORE EXPORTS

TRAIL.—The Consolidated Mining and Smelting Co. of Canada, Ltd., is constructing a plant for the treatment of surplus tonnage of zinc concentrates. This will stop the exportation of concentrates through Westminster to Europe, but will increase the export of bar metals through the Pacific Coast Canadian ports of Vancouver and New Westminster.

Maritimes Losing Trade Because of Labor Troubles

From Our Own Correspondent.

SYDNEY.—Hope of an early settlement of the annual wage controversy between Besco and its miners has about died out here. The joint conference has achieved nothing in two weeks. January 15, when the old contract will expire, is near. On that date the company will announce its wage cut, the miners will refuse to accept it, and the customary "suspension of work" will probably be on for several weeks—ending in a new conference and a compromise. By that time the coal companies will have lost big contracts they could have got if the wage rate were known at January 1, the community will have lost six weeks good business, and the miners instead of making good wages will have piled up big debts that will take them a year to work off.

FRASERS PLAN FINANCES FOR MILL IN STATES

Canadian Pulpwood Manufactured in U.S. Because of Tariff

From Our Own Correspondent.

MONTREAL.—Notices have appeared calling in the outstanding general mortgage bonds of the Fraser Companies, of Edmundston, N. B. These bonds, which pay 8 per cent. interest, will be redeemed on March 1, 1925, at 107 and interest.

While it is suggested that the redemption is being arranged in order that the company may take advantage of the present low interest rate to save, over the life of the bonds, a larger amount than the premium that must now be paid, it is likely that other reasons as well have prompted the step. The company is known to be considering the erection of a paper mill in the United States, and quite likely the present redemption is being arranged in order that a larger bond issue may be sold to take care of the financing of this new project.

The company's plans, as reported unofficially, are for the erection of a 200-ton paper mill at Madawaska, Maine, just across the river from Edmunston. The company would utilize the output of the Fraser Company's pulp mill at Edmunston. This would work advantageously for the company itself, because at the present time the company is affected by the extensive fluctuations in the market for sulphite pulp. Manufacturing this pulp into magazine or book paper in a mill controlled by itself would give a steadier and more dependable market.

The mill must be built in the United States because of the United States tariff, which does not permit these qualities of Canadian paper to enter the United States except at a prohibitive rate of duty.

It is expected that the pulp from the Edmunston mill will be carried to the new pulp mill at Madawaska through conveyors which may run over or under the international boundary river.

In addition to using Canadian-made pulp it is planned that the American mill will use Canadian hydro-electric power, developed at Grand Falls, N. B.

A New York report is to the effect that American interests are associated with the Fraser Companies in the project. The Brown Company, who now have great holdings in pulp and paper and power enterprises, are mentioned.

Wages in 1924 Were the Highest Ever Experienced

WASHINGTON.—The Department of Labor has just completed an ambitious country-wide study of wages, which shows that the prevailing rates of pay throughout the United States for 1924 are the highest in history. The average hourly rate is 128 per cent. greater than 1913 and 154.2 per cent. greater than 1907 and 8.3 per cent. greater than 1923.

Taking the year 1913 as a base, equaling 100, the Labor Department shows the following wage trend and also the trend of working hours for 18 years:

Year	Rate of wage per hour	Full-time hours per week	Wage-rate per week, full time
1924	228.1	93.9	214.3
1923	210.6	94.3	198.6
1922	193.1	94.4	183
1921	205.3	93.9	193.3
1920	199	93.8	188.5
1919	154.5	[illegible]	147.8
1918	132.7	97.1	129.6
1917	114.1	98.4	112.4
1916	107.2	98.8	106.2
1915	102.8	99.4	102.3
1914	101.9	99.6	101.6
1913	100	100	100
1912	97.6	100.3	97.7
1911	96	100.7	96.5
1910	94.4	101.1	95.2
1909	91.9	101.9	93.3
1908	91	102.1	92.5
1907	89.7	102.6	91.5

HOW INDUSTRY HELPS A TOWN

SYDNEY.—The little town of Ingonish, near the northern tip of the province, is enjoying a mild boom as a result of a prosperous farming and fishing season, combined with the establishment of a new gypsum industry there. The company already has contracts for delivery of 50,000 tons during the summer of 1925.

BUSINESS WAITS UNTIL BUDGET IS BROUGHT DOWN

Year-end Lull Lengthened by Uncertainties of Politics

BETTER IN STATES

Cabinet System There is Better for Industry and Trade Because Ministers Are Administrators Only

From Our Own Correspondent.

OTTAWA. — Inquiries reaching here from the outside indicate that much interest is being manifested in the contents of the next budget. There is also inquiry as to when it will probably be brought down. Considered from a strictly business standpoint, this is natural, for the outlook for many a firm for the year may be much altered by the contents of the budget.

The decision not to open the session until the 5th of February is disappointing to many who looked for an early budget. There is no doubt that the members and a number of the ministers desired that parliament should get down to business earlier, as it used to do in the old days. But it is difficult to get some of the parts in the administrative machinery to increase their speed. To put it plainly, it is hard to get some of them out of the rut. Some of the officials act on the principle—whatever is, is best.

Last year, when the session opened on the last day of February, the budget was brought down within the first ten days of April. Considering everything, that was not bad work. It is possible that it may come earlier this year, but the chances seem to be against much of an advance in the date.

And Business Waits

It may be taken for granted that Hon. Mr. Robb, who is a man of ripe business experience, knows the desirability from a business standpoint of getting the budget down as early in the session as possible. But there are some who apparently act on the principle that business should be expected to wait on parliament, rather than parliament on business. There is not a sufficient realization that the public revenues and the prosperity of the country, as well as welfare of a government itself, depends on how business can get squared away.

There is a well-defined impression that there will not be any worth-while tariff reductions in this year's budget, the feeling being that the government has gone as far in that direction as it can go with safety. Just now the thing most likely to cause trouble is the proposal to raise certain duties in order to give effect to the trade treaty with Australia. Just now the chances look best for a leave-well-enough-alone budget, pretty much along Fielding lines. This is because of the feeling that

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"Sucker Nation of All History"

A Voice From Peace River Says Canada Should Control Her Supplies of Wheat as Well as Pulpwood

W. A. Rae, Edmonton, Alta., former M. P. P. for the Peace River District, writes to the St. Catharines Standard, as follows:

The Editor, The Standard:
St. Catharines, Ont.:

Dear Sir:—I have just seen the front page of THE FINANCIAL POST and am pleased with the statement there that you are out to secure the last dollar that is in our resources for ourselves regardless. We surely are the sucker nation of all history. We almost apologize for taking up so much room on the surface of the earth, and when I consider the small effort we are putting forth to bring our country to its own I almost think we should apologize to the Indians for replacing them.

You put it very nicely when you state that none of the arguments that can be used against a policy of protection can be used against a policy of development. East and West can unite on development and retaining within our country the last dollar that can be realized out of manufacturing or handling our products. We are at one with you on the pulpwood question. We, also, feel that we are sending out too much of our money for coal. Alberta alone has one-sixth of the coal of the world, and yet the Canadian National Railway is using American coal as far west as Wainright.

We are loath to see so much of our grain being turned over to American railways and vessels, when our own lines are starving for traffic. All we want in the West is to handle through our western outlet what is now turned over to American ports. We are quite content to see the present volume going east through Canadian channels so long as it boards the ships at Canadian ports, but we want every bushel that Eastern Canada cannot handle to be loaded at Vancouver, which is open 12 months in the year. This does not look unreasonable.

With the compliments of the season, I am,

Yours very truly,
W. A. Rae.

Six Big Financial Events Marked 1924 as Important

It Was a Busy Year, What With Three Bank Mergers, the Montreal Utilities Merger, the Passing of Besco Dividends and Two Big Loans

From Our Own Correspondent.

MONTREAL. — There were many significant developments during 1924, touching the interests of Canadian investors. Definite milestones were reached in the march of such important companies as Montreal Tramways, British Empire Steel, Canadian Car and Foundry, Toronto Railway, Winnipeg Electric, Hollinger, Canadian Industrial Alcohol, Consolidated Smelters, etc.

To choose the six most significant financial investment developments of 1924 is a problem of perspective. Perhaps the six events that most widely affected investors or that were most notable in marking out a changing trend were the sale of the C. P. R. $30,000,000 note issue in Canada; the financing of the C. N. R. to the extent of $50,000,000 in Canada; the refunding loan of the Dominion; the clean-up of the Montreal public utilities situation, the passing of dividends in all British Empire Steel preferred shares, and the merging of several other banks.

The Canadian National Railways refunding loan of $50,000,000 sold in January was of great interest because it was won by Canadian investment bankers in the keenest kind of competition with United States bankers, who have in the past had all C. N. R. issues. The issue was sold in Canada. The bonds were 5's, due in thirty years, and were offered to yield 5.145 per cent.

The C. P. R. domestic loan was evidence of Canada's coming of age in finance. It was the largest piece of corporation financing ever attempted in Canada. A special effort was made to sell the entire issue in this country, and to get it distributed widely among investors of every class and every degree of wealth. The issue could easily have been sold in New York, or even in London, but the C. P. R. gave its financing to Canadian investors and was not disappointed by their reception of the issue.

The Government Re-Financing

The Dominion government refunding issue, sold in the early fall, was interesting not as a large piece of domestic financing, but because of the evidence it gave of the remarkable upward swing in bond values. It was possible to market the loan without difficulty at a yield basis of under five per cent.

The issue consisted of $50,000,000 of 20-year 4½ per cent. bonds that were sold by a large syndicate that covered every hamlet in Canada in a broad, though not essentially "popular" campaign. The issue price was 97, and the yield to the investor 4.73 per cent. In a few days the issue was selling at a premium above the issue price. In addition, $35,000,000 of two-year notes were sold.

The Montreal "Clean-Up"

The clean-up of the public utilities situation in Montreal affected the interests of numerous investors. Montreal public utilities had been divided, as to control, between two groups, one represented chiefly by the closely associated Montreal Power and Shawinigan Power companies on the one hand, and the Robert group on the other hand, which had control of a light and power distributing company Quebec-New England Hydro-Electric Corporation, and the tramways company, Montreal Tramways Company. In a struggle for control of Quebec city's utilities in the previous year, with practically the same interests lined up on either side, the Shawinigan interests had won by their ability to command financial resources that were sufficient to avoid foreclosure and bankruptcy entanglements. The Montreal situation went the same way. The holding company that held control of Montreal Tramways and had much to do with Quebec-New England Hydro-Electric Corporation, and the latter company as well found themselves facing further demands for cash to meet impending maturities. The burden of financing charges that had already come close to breaking the backs of both companies seemed likely to grow by more than the weight of the last straw that was in itself sufficient to do the trick. The long fight ended with Shawinigan and Montreal Power in control through a jointly-owned holding company, United Securities Corp. The additional impetus given to the sensational upward

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The Case for Tax Relief

Ontario Government Sympathetic to Manufacturers Realizing the Need to Create More Employment—Opportunity Before Revising Commission Being Neglected

The question of the taxation of industry—particularly the levy on industrial dividends—is now before the Statute Revision Committee of Ontario. A prominent Conservative member of the legislature confirms the opinion expressed by THE FINANCIAL POST last week that a wonderful opportunity to put the case for the manufacturers before the commission was lost when, at the hearing at which the brief prepared by the C. M. A. was submitted, there was no one to speak for it but the association's solicitor. He says that the attitude of the government is sympathetic to the manufacturers in their difficulties and to the need for increasing employment, and that an expression of opinion on the question from the special committee would undoubtedly be welcomed. Manufacturers with whom THE FINANCIAL POST has discussed the situation, including former officials of the C. M. A., express the opinion that both a lack of judgment and a lack of courage were shown in not making a stronger case when the opportunity offered. They were surprised, as the chairman, Mr. Justice Middleton was evidently surprised, that there was no one to back the brief of the C. M. A. but Mr. Johnston, the solicitor.

If there is another opportunity to speak, representatives of Ontario's manufacturers should be prepared to show conclusively that it is primarily a question of jobs for the people of the province—a question of whether industry is to operate with a fair and reasonable return to investors or whether plants are to be closed down because they cannot produce to compete with goods produced in other provinces, in the United States, or in Europe.

This question of what taxation industry is able to bear was thoroughly threshed out before the MacLennan Commission twenty years ago. Proposals were then considered to increase the burdens on the manufacturers and were thrown out on the representations of industrial leaders. Sir Edward Kemp—then Mr. A. E. Kemp, M.P.—was a big figure in the fight for a fair and reasonable levy and his most effective argument at that time is the most effective argument which could be advanced today—that manufacturers in Toronto cannot pay double the taxes of manufacturers in Montreal, or Winnipeg, or American cities, and sell their goods in the same market.

To-day it can be shown, as it has been in the case of the Sheet Metal Products Company before the Toronto Court of Revision, that manufacturers in Montreal are paying only 28.3 mills municipal taxes, while in Toronto they pay 126.3 mills, and that, to make matters worse, the valuations for assessment in Toronto are higher than in the Eastern city. The same applies with varying degrees in other industrial centres throughout Ontario. The result is that industrial capital veers off when the conditions in Ontario are examined into.

The MacLennan commission was convinced that it was unsound economics and poor business to tax the profits of industry. There was an understanding that profits would not be so taxed and that understanding was not only embodied in the act of 1904, but it was respected until 1920. Its removal was a breach of faith. The present committee would be quite justified in making a recommendation to the government that the act of 1904 be restored if the manufacturers can show that such a course would be not only legally proper, but would benefit the whole community by relieving industry of an undue burden.

English Syndicate Made Offer for Paton Shares

MONTREAL.—An offer for control of the Paton Manufacturing Company, by an English financial house, has been turned down by the group now in control of the company.

During the past six months, machinery has been added which has increased the output by 30 per cent. The company is sold up for the next four months. This is favorable news for the stockholders, more especially when it is realized that within the next two weeks the new order commences. At the mills, operatives have been working full time both night and day, and all the looms are running.

It is expected that Paton shares will be listed on the Montreal Stock Exchange in the spring.

CAN GET PAYABLE IRON ORE

SAULT STE. MARIE.—That magnetic iron ore of Algoma can be treated to give it sufficient commercial value for a market in the world, is the opinion of Dr. W. L. Goodwin, Provincial Department of Mines, who has been conducting mining classes at the Technical School. He gave an illustrated lecture on rocks and minerals of Algoma.

TOURIST INCOME OFFSETTING OUR INTEREST BILLS

Americans Spend More in Canada Than They Get in Interest

PROFITS ARE GOOD

Canada's Chief Investment in Tourist Industry is Courtesy and Service and These Pay Good Dividends

OTTAWA.—With the sales of Canadian bonds in the United States during 1924 totalling $215,000,000, it is probable that the aggregate investment of American capital in Canada and its enterprises during the year was at least $225,000,000. In addition to the bond sales, a certain amount of American money would go into properties not included in the figures of bond brokers.

This is not the largest total for American money placed in Canada and its enterprises during a year, for in 1922 the total of Canadian bond sales in the United States was $244,000,000 a year in this country on that time was also much in favor of the United States, it is reasonable to suppose that quite a sum of additional money came across the line.

A good many estimates are made of the aggregate of American investments in Canada, but it is practically impossible to give absolutely accurate figures. However, one is safe in putting it at approximately $2,500,000,000. Of this, probably between $1,900,000,000 and $2,000,000,000 has come in during the last 11 years. Add to this the fact that Americans, according to government officials, are spending over $100,000,000 a year in this countrty on travel and shopping, and it will be seen to what a large extent American money is now bulking in Canadian business life.

Tourists Pay It Back

Paradoxical as it may seem, it is now pointed out by some of the best informed people on the tourist business that in reality the Americans are not taking away much of the very large returns from their huge investments. They figure it out this way: These invesments probably bring them about $125,000,000 a year. The American tourist traffic is worth to Canada, perhaps, $150,000,000 a year; therefore, the account is pretty well balanced. And there is no doubt that this view looks reasonable.

Here, very little concern is felt over the possible effect of these investments on the political future of this country. It is pointed out that annexationist feeling was strongest when the country was hardest up. It is also remarked that after spending millions on advertising Canada as the Land of Opportunity, it would be a strange proceeding to discourage the placing of American capital here.

One thing is certain, that is, the country being now fully alive to the advantages of the tourist traffic, is certain to exploit it to the fullest extent. The transportation, hotel, and summer resort people, to say nothing of those generally who have something to sell, look upon this business as found money. And they are right.

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Improvement Noted in the Cattle Trade

OTTAWA.—The export cattle trade has been better this year than it was in 1923, shipments to Great Britain from January 1 to December 18, having been 79,387 head, or 22,970 more than during the same period last year.

The returns for shipments to the United States during the same period are not available, but those for the seven months ending October show an increase of 24,500 head. Add to this an increase of 8,750 head during the first three months of the year, and the total increase to October 31 was 33,250 head.

It is quite evident that the cattle trade is picking up all around, the prospects being that it will show still further improvement next year. This is good news, for in the fiscal year 1920 no less than 500,000 head were shipped across the line, which made a nice return, especially to Western farmers.

LARGER BUSINESS FORECAST BY U.S. SECURITY MARKETS

Extent to Which This Has Been Discounted Must be Decided

BOSTON.—As the year draws to a close it becomes opportune to review briefly the leading events of the past twelve months, and to discover if possible what portent they hold for the future, says the weekly letter of Hayden, Stone and Co. Easily the outstanding feature of the year has been the victory of the conservative forces of government, not only here but abroad. This, coupled with the acceptance of the Dawes plan by Germany, has generated an atmosphere of confidence and assurance of stability and sane progress such as has not existed since the war. Added to this has been the emphasis placed on economy and the promise of lower taxes. In short, for the first time since the war upheaval there is the feeling, both here and in Europe, that industry may go about its business without danger of political upheaval, and with as efficient government as is humanly possible. The war hysteria is over and the ravages of war are passing.

Next in importance has been the decided ease in money. This may be ascribed to two principal factors—the great influx of gold and a subnormal demand for commercial accommodation. Probably the extreme influence of both factors is passing; gold is no longer coming in—indeed has begun to go out in small quantities; a revival of business is making itself felt in increasing credit demand. While somewhat higher rates may henceforth be expected, industrial companies are so well fortified with working capital, our Federal Reserve System contains such a great reservoir of credit, that anything approaching stringency need not be feared.

With the exception of the war period, the crops have added more to our national wealth in 1924 than in any previous year. A short wheat crop in Canada and elsewhere has resulted in this country in high prices for a large crop—a must unusual combination. The high price for corn has been due to a subnormal crop year; this is not in itself a blessing, but at least has been counterbalanced by higher prices. The net result has been to give the farmers potential purchasing power; not as yet so much in additional buying as in the payment of debt. Eventually, this is bound to show itself in increased buying. Most important has been the restoration of the equilibrium between the agricultural and industrial sections—something that has been lacking since the war.

Railroad gross receipts have not been as large as last year, but the loss here has been largely made up by decreased expenses. Traffic in recent months has been of record-breaking proportions. More important that the temporary trend of earnings has been the feeling that after many years of repression the railroads are to be given a chance, within well-defined limits, to work out their own salvation. The result has been a return of confidence in railroad equities. Two large systems have been able to finance themselves by the sale of common stock at par; several have increased or resumed dividends. Two current consolidations are well underway; others are in prospect. While there are not, perhaps, the speculative possibilities of the railroad construction days, the situation is much sounder and healthier than for many years past.

Industrially, the year might be summed up by saying that it had a slow start and a fast finish. Steel production, 20 per cent. under that of last year for the first ten months, is rapidly catching up; indeed, of recent weeks it has been at a rate only rarely attained and never long maintained. The automobile business started the year with heavy production and carryover of cars from previous years, which had a temporarily depressing effect around mid-year, from which it is now working out. New construction has been surprisingly well maintained. The textile industry has suffered the most severe depression for a great many years, but even in this operations are increasing, though scarcely as yet on a profitable basis.

Wages on the whole have been well maintained. Of recent weeks there has been some necessary reduction in textile lines where wages are still over 100 per cent. above pre-war levels, but with fuller employment total, wage receipts are quite as large as with a nominally higher wage rate, and less employment.

Last, but by no means least, has been the tremendous rise in securities, which has carried the general level nearly as high as in the inflation period immediately following the war. Public participation has been on a tremendous scale. If the market can be relied on for its ability to sense the future, and generally it can, such an advance would point to 1925 as the year of large volume of business. Indeed the mere enumeration of the chief events of the past year tend to confirm this opinion.

The point that each one must decide for himself is to what extent this has been already discounted by the advance.

Butter Exports Show Radical Improvement

OTTAWA.—In exports of butter, Canada is going right ahead, those for November having been 2,906,001 lbs., as compared with 2,545,287 lbs. during the corresponding month of 1923.

During the 12 months ending November the volume of exports of butter was $21,676,038 lbs., as compared with 12,935,279 lbs. during the preceding period. The value was $7,787,170, as compared with $4,822,437.

These heavier exports have been due chiefly to the increase in production in Saskatchewan and Alberta. During November, Saskatchewan produced 724,906 lbs. of butter, as compared with 443,458 during the corresponding month, 1923. During the first 11 months of the year, production was 12,914,266 lbs., as compared with 10,120,816 lbs. during the preceding period.

Despite the high duties on milk and cream entering the United States, these Canadian products seem to be getting back their hold there. During the 12 months, ending November, exports of cream were 3,287,452 gallons, as compared with 2,555,758 during the preceding period; while exports of milk were 2,758,384 gallons, an increase of 694,000 gallons during the year.

LUMBER INQUIRIES FROM ORIENT

VANCOUVER, B.C.—An active revival of lumber inquiries from the Orient, Australia and Africa has been in evidence recently and it is expected that orders placed will amount to considerable during the closing weeks of this year. Lumber exports from Vancouver during October totalled 33,960,690 feet, valued at $812,861 an increase in quantity and value over the same month in 1923.

LARGE INCREASE IN WORLD'S SUGAR CROP

Beet Production May be Serious Competitor of Cane Sugar in Near Future

NEW YORK.—Estimates recently published in London forecast the world's sugar crop in the coming season at 22,467,000 tons. According to advices received by the Bankers' Trust Company of New York from its English information service, Europe will produce this season nearly two million tons more sugar than in the previous season. The total world production, both cane and beet, now approximates the average production of the three years immediately preceding the war. Trade experts estimate that European beet sugar output for 1924-1925 will total 6,961,000 tons, comparing with 5,057,000 tons in 1923-24 and 4,574,000 tons in 1922-23. The British experts expect the Cuban crop this year will surpass even the record output of the last campaign. The actual outturn then was 4,052,000 tons, and the estimate for this season is 4,500,000 tons. Increased production is also forecast for other cane countries.

Trade reports are to the effect that a steady increase in consumption is going on. The trade looks for a new struggle between beet and cane sugar as one of the possibilities of the future. If European beet sugar production continues to increase, it is thought the time may not be far distant when there will be a reversion to the export bounty system which led to the creation of the Brussels sugar convention in 1903.

WILL MAKE A "NEW" ICE

MONTREAL.—The Canadian Prest-Air, Ltd., a company recently incorporated to manufacture a new refrigerant "Prest Air Ice," is establishing a plant here, which will have a daily capacity of 50,000 lbs.

Canadian Conditions

	1924	1923	
Car Loadings—			
Week Dec. 20	47,198	54,056	—12.6%
Year to date	2,868,348	2,808,797	+2.1%
Grain Receipts— Aug. 1 to Dec. 19	167,461,616	260,262,106	—35.6%
Building—	1924	1923	
November	$9,363082	$7,394,406	+26.6%
11 m'ths	$100,799,206	$111,885,361	—4.5%
Bank Clearings— 11 months	1924	1923	
	$14,763,251,612	$15,316,444,418	— 3.6%
Savings Deposits—Chart. Banks	1924	1923	
Oct.	$1,189,086,750	1,141,136,278	+ 4.2%
Current Loans—By Banks	1924	1923	
Oct.	$981,111,418	1,066,859,326	— 8.7%
Net Dominion Debt—	1924	1923	
Nov. 30	$2,411,754,347	$2,414,641,424	— 0.1%
Railway Earnings— Oct.	1924	1923	
C. P. R.	$19,352,340	$23,769,733	—18.6%
Oper. exp.	12,330,163	15,608,745	—21.0%
Net	7,022,177	8,160,988	—13.9%
C. N. R.	22,840,698	26,257,773	—13.0%
Oper. exp.	18,146,858	21,072,756	—13.8%
Net	4,693,843	5,185,017	— 9.4%
Ten months	1924	1923	
C. P. R.	148,711,039	$154,456,095	— 3.7%
Oper. exp.	121,242,979	127,043,685	— 4.5%
Net	27,468,059	27,142,412	+ 0.2%
C. N. R.	195,325,323	206,395,341	— 5.3%
Oper. exp.	184,555,659	194,280,629	5.0%
Net	10,769,664	12,114,712	—11.1%
Balance of Trade— 12 mos., Oct. 31	1924	1923	
Exp.	$1,076,632,203	$994,646,069	+ 8.2%
Imp.	818,671,463	911,759,278	— 10.2%
Bal.	257,960,740	82,886,791	+211.4%

Canada 3rd in Wheat Yield; 1st in Grade

Certain phases of the current wheat situation are of special interest in view of the gradual increase in quotations in the Winnipeg and Chicago markets. Business is interested, moreover, in the estimates which are being published of the total revenue which will be realized from the crop this year. According to present indications, Canada will be third this year in the production of wheat, although we have occupied a position second only to the United States for some years, in the raising of wheat. The Indian crop has slipped ahead this year by a substantial margin. The indicated yield in the United States is 856,000,000 bushels, while India's crop is 364,000,000, and that of Canada in the neighborhood of 300,000,000. Last year, Canada occupied a position much closer to that of the United States, having a total of 474,000,000 bushels against 786,000,000 for the States. In reckoning the respective values of the various crops, it must be remembered that the grading of Canadian wheat is higher than that of any of the other countries, since our Northern grades cannot be duplicated except possibly in Russia, which country will be out of the running for some time. On account of these high prices realized on better grades, the total wheat crop this year will be worth $325,000,000 at the very least, this being the estimate made by the Dominion Bureau of Statistics. Last year the crop was worth $316,000,000.

Statistics indicating the wheat outlook in various countries follow:

WORLD PRODUCTION OF WHEAT

Country New crop available	W'rld Tot'l	Argen'. January	Australia January	India March	U. States July	Spain August	Italy August	France August	Germany August	Rumania August	Canada Sept.
					Millions of bushels						
Normal consumption (1909-1913)		64	37	301	581	136	236	361	221	34	116
1909-1913 average	3,577	157	85	351	690	130	183	318	152	87	197
1914	3,586	105	103	312	891	116	170	283	146	49	161
1915	4,199	169	25	377	1,026	139	171	223	142	89	394
1916	[1]2,609	169	179	323	636	152	177	205	[2]110	78	263
1917	[1]2,288	80	152	382	637	143	140	135	[2]82	..	234
1918	[1]2,804	224	115	370	921	136	183	226	[2]86	[3]18	189
1919	[1]2,743	180	76	280	968	129	170	[2]182	[2]80	[5]66	193
1920	[1]2,868	217	46	378	833	139	141	[4]237	[4]83	[4]61	263
1921	[1]3,069	156	146	250	815	145	194	[4]323	[4]108	[4]79	301
1922	[1]3,096	191	129	367	868	125	162	[4]243	[4]72	[4]92	400
1923, latest estimates		196	109	369	786	157	225	276	106	102	474
1924, latest estimates		247	126	364	856	126	171	...	93	...	292

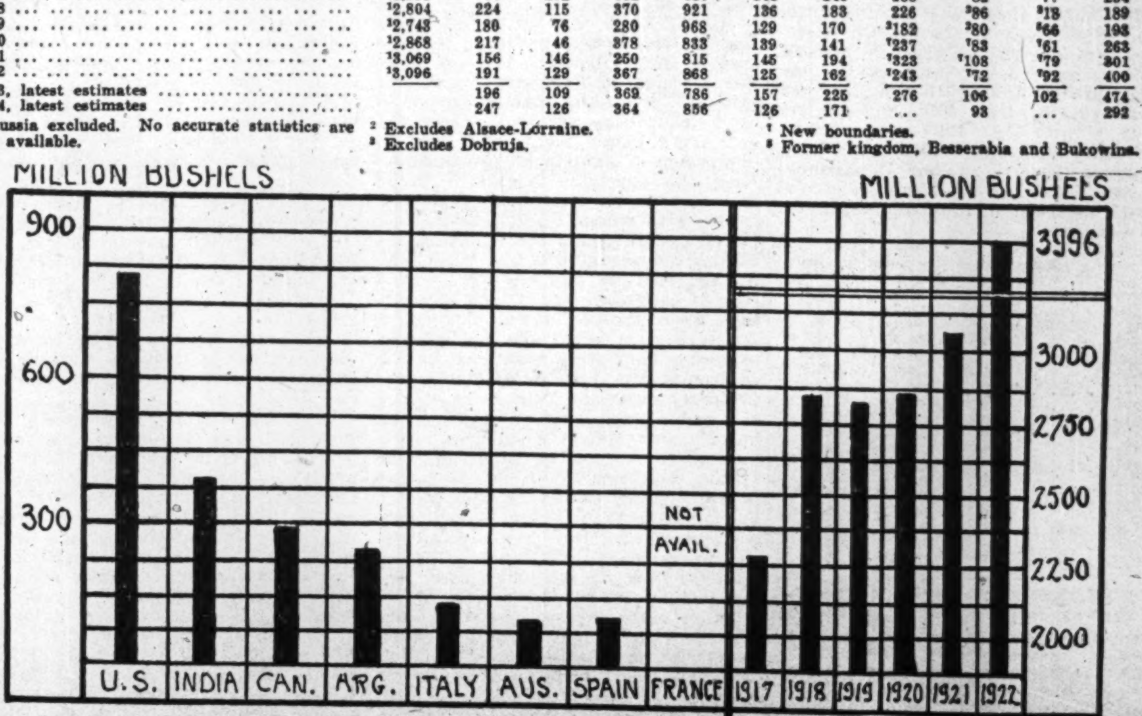
[1] Russia excluded. No accurate statistics are available.

[2] Excludes Alsace-Lorraine.

[3] Excludes Dobruja.

[4] New boundaries.

[5] Former kingdom, Besserabia and Bukowina.



1924 WHEAT OUTPUT BY LEADING COUNTRIES — WORLD WHEAT OUTPUT

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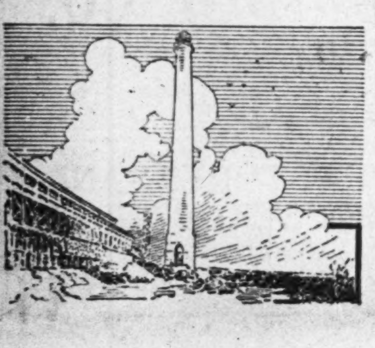

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ANOTHER IMMIGRANT MAKES GOOD

CALGARY.—After farming in Alberta for five years, Nick Chyelte, a Norse-American from Montana, steps into the international limelight by winning the championship for alfalfa at the great Chicago Show. Chyelte farms on the Bow Slope in the C.P.R.'s irrigation block in the Brooks district and has made a special study of alfalfa, which thrives in that area.

WEST FAR FROM HAPPY WITH THE CROW DECISION

Will Still Object if Court Decision is Unfavorable

From Our Own Correspondent.

WINNIPEG.—The Dominion Cabinet in suspending the order of the Board of Railway Commissioners, by which the westbound freight rates established by the Crow's Nest Pass agreement were abolished, has done exactly what the West asked, but, in spite of that fact, the West is not completely pleased with the action of the government. There is as much criticism as praise, for the order seems to imply that the future course of events is to depend on the appeal to the Supreme Court against the legality of the board's action. And the West, although it has appealed to the Supreme Court, does not rely on that appeal, and if it loses that appeal is not going to rest content with the result.

The West made a double appeal against the order of the Railway Board. That, to the Supreme Court, was based entirely on law. It asks the Supreme Court to decide that the lawyers of the railways in claiming that the board had power to override the Crow's Nest Pass agreement, and the board, in assenting to that position, were interpreting the law wrongly. The West hopes that the commission is wrong, but it will not be surprised if the courts declare that it is right.

Appeal to Government

The appeal to the government was based on different grounds than the strict letter of the law. "Even if it should be found," so runs the case of the West, "that the Board of Railway Commissioners were right in declaring that the statutes give them the right to override the Crow's Nest Pass agreement, the board had no right to exercise that power, for it can have come into being only through inadvertance, and because the statutes did not correctly record the will of parliament, as established on many occasions. It has been from the first, as expressed on many occasions, the clear intention of parliament to maintain for the West the statutory protection of the Crow's Nest Pass agreement in fixing freight rates; and for the board to go contrary to that clear intention whether the loose drawing of the wording of an act gives it that power or not, is to flout the will of parliament."

The West wanted the government to declare the Board of Railway Commissioners wrong, not in law, but in practise. This the government has not done. It has simply suspended an order of the board until such time as the law on the matter is determined. If the railways' reading of the law is upheld by the courts, and the powers of the board sustained, there seems to be an implication that the practise of the board will go unrebuked, and that they will be free to exercise their powers without regard to what the will of parliament has been.

It is difficult to see how the question of the Crow's Nest freight rates can be kept from becoming a major issue during the next session of parliament. The Supreme Court may decide the issue, or the Privy Council, if the case is carried there, in one of three ways. The Railway Board may have the powers claimed for it; the Railway Board may not have the power to abrogate the Crow's Nest agreement, but the agreement may be strictly limited, as the railways recently claimed; or, thirdly, the agreement may stand, and the rates established by it have to be maintained, not only on the lines of the Canadian Pacific Railway as they stood at the time of the agreement, but serve also as a basis for rates on other lines of that railway so discrimination may be avoided.

Taking the last alternative first, the case of the West would be completely maintained thereby, but the railways, and other parts of the country, may come to parliament, and are almost certain to do so, that the agreement needs either to be abrogated by parliamentary action, or to be modified. They will now have the expert opinion of the majority of the Railway Commission in the claim that the agreement sets up a basis of rates that should not now be maintained.

On the other hand, if the agreement is still good, but may be given a limited application only as the railways recently gave it, and will now be giving it under the order-in-council, there is an intolerable condition of discrimination, which, if the Railway Commission could not correct, parliament would be bound to correct, or otherwise the ruin of certain industries and of the commerce of certain cities would be brought to ruin. That discrimination could be cured only by abolishing the agreement, to which the West would strenuously object, or by forbidding discriminatory rates under its application. Defining where discrimination begins and ends would be a difficult task, and British Columbia, for example, has claims which have not yet been admitted by the board, by the railways, or by other parties to the controversy.

Should the court decision maintain the powers as claimed by the Board of Railway Commission, the West will demand the restoration of its position by the passing of a new act of parliament.

It is just possible that a compromise solution might be effected. If parliament were to reaffirm the statutory effect of the Crow's Nest Grain rates, Western representatives might agree to leaving the westbound rates which apply to other commodities to be determined by the Railway Board. Not very willingly, probably, would they agree to this, but it might present itself as the only way by which they could be assured of the continuance of the present rates on grain.

The Opportunities for the Intelligent Office Boy

Speaking of office boys and their work, C. H. Carlisle, vice-president and general manager, Goodyear Tire and Rubber Co. of Canada, in Canadian Machinery, declares there is no reason why, if intelligently selected, they should not be perfectly able to secure advanced positions in industry.

"It has always been my purpose to work along this line. The office boy has certain work to do, which should be well done, as should any other work in industry. A great deal of care should always be given to the employment of people, whether the work to be done is of small or great importance.

"If the office boy is to become later a part of the organization, care should be used in selecting one well adapted to the particular line. Care should also be exercised to select only boys of proper intelligence and industry, boys who possess a desire to work themselves into a better position in the organization. One who is honest, has the ability to think and analyze, and is willing to work and co-operate with his fellow-employees, will not long remain in a minor position.

"A number of the employees of this company who are holding responsible positions to-day, started as office boys. They have taken advantage of their opportunities to learn the business, and are growing with the positions they now hold."

A NEW MUDDLE IS CREATED IN THE CROW'S NEST CASE

Cabinet Restores the Discriminating Rates Pending Judgment

From Our Own Correspondent.

OTTAWA.—Shippers in a number of Ontario industrial communities will be much affected by the cabinet's order over-riding the decision of the Railway Board, which directs that within 15 days from December 25, the Crow's Nest commodity rates, as set forth in the tariffs filed by the railways on July 6, shall be restored until such time as the Railway Board makes another order in line with the expected decision of the Supreme Court on the questions that have been submitted with respect to the meaning of the Crow's Nest Pass Act.

This, of course, means that the old discriminations complained of by Brantford, and several score other communities, are restored. There is no question about this, the order of the Privy Council on this point being as follows:

"The committee, therefore, recommend that general order of the board No. 408 be varied so as to provide that the tariffs therein referred to shall again become operative within 15 days after the date hereof (Dec. 25), and remain in effect untli further order of the board, following the decision of the Supreme Court of Canada on the appeal to it from the board hereinbefore referred to; but that such variation shall not be deemed to give any person or corporation the right to demand any refund of freight charges paid or owing in respect of any shipment made during the period during which the higher rates have been or are in force."

The cabinet was confronted by a very troublesome problem, and it is quite plain that it sought to find middle ground that would give as little offence as possible to all parties concerned. It is also apparent that while the cabinet desired that pronouncement on the Crow's Nest Pass agreement should be left to the highest court in the land, it did not desire to convey the impression that it per se favored the abolition of the agreement. It preferred to be viewed as accepting the opinion of the Supreme Court. Of course, there is no doubt that it passed up the Railway Board.

It follows from its order that the cabinet does not agree with the view of the Railway Board that the Crow's Nest Pass agreement is not a factor in the fixing of rates. Indeed, the cabinet says that the agreement is operative, and that the rates provided by it must be put into effect until the Railway Board makes a new order in conformity with the decision of the Supreme Court.

While the cabinet thus went quite a way in meeting the views of the prairie provinces, it did not go all the way desired by them, as the following excerpt from its order shows:

"The petitioners seek to have the above-mentioned order of the board rescinded, and further, to have the discrimination which would be created by the reinstatement of the tariffs disallowed by the board removed by lowering other rates to the level of the rates in effect on Crow's Nest commodities, so-called, prior to the effective date of the board's said order No. 408."

Counsel for the prairie provinces not only wanted the Crow's Nest commodity rates brought back, but to have them extended to the whole of the Canadian Pacific Railway mileage, and to all competitive points on the Canadian National, this, in their opinion, being the only way by which the discrimination complained of could be removed. The cabinet, however, has refused to go that far, preferring rather to await the decision of the Supreme Court as to the territory covered by the agreement.

It is impossible to tell how long the discrimination complained of by communities all over the country will continue. The impression that the cabinet's order would remain in effect only until the Supreme Court gives its decision is not strictly correct. It remains into effect until the Railway Board makes a new order based on the Supreme Court's decision. How long that will take depends on many considerations.

MARITIME FISHING IMPROVES

ST. JOHN, N.B.—Improvement is noted in the fishing industry of the Maritime Provinces. The Maritime Merchant reports various happenings indicating that the industry is coming back.

RAILWAYS FACED CUT IN EARNINGS DURING THE YEAR

Smaller Crop in the West Was a Big Factor

From Our Own Correspondent.

OTTAWA.—Canadian railways did not, during 1924, have nearly as good a year as they had in 1923. It will be at least a month or more before the final returns for the year are in; but enough is known to warrant the foregoing statement. The chief reason for this was the drop of 200,000,000 bushels in the wheat crop as compared with that of 1923, there having been a further drop of 150,000,000 bushels of other kinds of grain. Another contributing cause was a reduced movement of some other kinds of freight, notably coal. Result, a reduction of about $30,000,000 in gross earnings.

The marked reduction in the grain tonnage offering brought home in a striking manner the seasonal nature of the greater portion of the Canadian freight movement. In this respect Canadian roads differ greatly from American. If the Canadian roads do not get a heavy wheat haul they have little to make up on. On the other hand, some of the strongest American roads operating in the West, in addition to grain, have cotton and oil from which to draw freight.

During the early months of the year, the conditions from the railway standpoint were so favorable that there was reason to think that the 1923 showing might be repeated, or, indeed, improved upon. This was due very largely to the large hang-over from the 1923 crop. In addition, the Canadian National had the benefit of a short business boom in the United States. Conditions were so favorable during the first four months of the year that the net operating revenues of the Canadian mileage of the Canadian Pacific and the Canadian National were $7,203,000 over those for the corresponding period in 1923. On its Canadian and American mileage combined, the Canadian National had net operating revenues of $3,811,135, an improvement of $5,260,000, as compared with the same months of 1923. The Canadian Pacific, which means in Canada alone, had an increase of a little over $1,500,000 in net operating revenue.

A decline in revenues had set in during April, and it was continued in May to such an extent as to leave no doubt as to what had happened. Nor was there the same decrease in operating expenses, though the payroll had shrunk. The reduction in ordinary freight was also apparent, for the June reports showed that while there had been an increase of 11 per cent. in freight during May, there was a decrease of $630,000 in freight revenues, which indicated that more grain was being hauled than is usual at that time of year, it being moved on low rates.

Reduced business continued during the summer, the freight movement on Canadian roads during August, having been 17 per cent. lighter than during the corresponding month of last year, while the passenger business was down 19 per cent. By this time it had become known for a fact that there would be much less wheat to haul than there was during 1923. In the meantime expenses had been cut to the bone.

To such an extent had the situation changed by then that according to government returns at the end of September the net operating revenue on the entire mileage of the Canadian National, both in Canada and the United States, was only $6,075,820, or $850,000 less than at the same time last year. That is to say an improvement of $5,260,000 at the end of April had been replaced by a decrease of $850,000. The Canadian Pacific continued to hold up better its net operating revenue at September 30, being $19,770,486, as compared with $17,382,972 at the same date in 1923.

It was after October 1, that the reduction in the Western crop made itself felt. As the Canadian Pacific had in the fall of 1923 handled a larger percentage of the crop than the Canadian National, it felt the loss of it to an apparently greater extent. During October the Canadian Pacific's gross earnings fell off to the extent of $4,417,393, as compared with October, 1923, while the Canadian National's gross dropped $4,417,095. It must, however, be taken into account that the former's figures were for its entire mileage in the two countries, whereas the Canadian Pacific's were for mileage only in Canada. That month the Canadian Pacific's net earnings fell off to the extent of $1,138,810, as compared with October, 1923; while the Canadian National's decrease was $491,174. Neither November nor December were as good months as in 1923.

The general result is that with net earnings below those of 1923, the Canadian railways will not make nearly as good showing as most of the roads in the United States this year. At the existing rate at which grain is moved on this side of the line, the railways must move a tremendous tonnage to enable them to make an appreciably profitable showing, and when this is not available, it is evident that to them the increase of production in the West is absolutely vital.

Canada's Unfavorable Trade Balance With U.S. Moves Up

NEW YORK.—United States exports to Canada increased over $50,000,000 in October, according to the Bureau of Foreign and Domestic Commerce, as compared with October, 1923. Imports of Canadian goods were, however, in round figures $4,000,000 less. The unfavorable Canadian balance for the month rose from approximately $13,000,000 in 1923 to $52,000,000 in 1924. Imports for the ten months ending October, 1924, were $327,500,000 against $341,600,000 in the same period in 1923. Exports were $531,000,000 against $560,800,000.

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Amalgamation Results in Large Canadian Company

Vickers and Combustion Engineering Ltd. is the new company organized to take over the business of Combustion Engineering Corporation and its parent company, International Combustion Engineering Corp., New York, and the Canadian Sales Agency of Vickers Limited and their subsidiary companies, along with the sales of the Industrial Department of Canadian Vickers of Montreal. The new company will cover the whole range of engineering work in the Dominion and will have associated with it the manufacturing plants of Canadian Vickers in Montreal and the advantages of the splendid manufacturing facilities of these works. It will also have the manufacturing facilities and association of the many large manufacturing works of Vickers Limited in England, with the benefit of the joint engineering ability of International Combustion Engineering Corporation, New York, and its associated companies in London, England, Berlin and Paris, together with the engineering experience of Vickers Limited, England, and its associated companies.

The personnel of the company will be largely composed of Canadian engineers. Commander Sir A. Trevor Dawson, Bart., R.N., chairman; George E. Learnard, pres. of International Combustion Engineering Corp., vice-chairman; A. J. T. Taylor, pres. of Combustion Engineering Corp., president, and chief executive officer; A. R. Gillham, pres. Canadian Vickers, first vice-president; J. V. Santry, pres. Combustion Engineering Corp., New York, vice-president; W. Hamilton Munro, chief hydraulic engineer, Vickers Ltd., Barrow-in-Furness, director; John Anderson, secretary-treasurer and director.

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The Securities Markets

YEAR OF PROFITS FOR INVESTORS IN GOOD SECURITIES

Of Forty Good Stocks, Only Three Declined in Year

From Our Own Correspondent.

MONTREAL. — Nineteen twenty-four was good to good investors. The rise in the market price of high-grade investment stocks and bonds was so remarkable, so uniform, throughout the year, that speculative traders were left behind. The average increase in value of investment stocks was greater than the average increase in value of speculative issues.

The average price of forty of the most active stocks in the investment or semi-investment class, listed in the Montreal and Toronto Stock Exchanges rose no less than eleven points during the year. At their opening prices for the year the forty stocks had an average value of 140. At the close of the year their average value was 151.

Of the forty stocks chosen, as representative of the type that, under present conditions are regarded as stronger than the average, no less than thirty-seven advanced during the year. Three only declined, and with an average decline of less than five points.

Most of these stocks, as the year closed, were definitely tending upwards. Few of them sold during the year at much below the price at which they opened the year. Many of them had sold during the year at prices well above the figures at which they closed in 1924.

The record adds much strength to the argument for safer, less speculative investing.

It might be added that a review of the average prices of high-grade bond issues shows improvement during the year. The indicator of industrial bonds is up from 96 to 98, and for Victories from 103 to 104.

Below is the record of the forty representative stocks referred to:

	Open 1924	Close 1924	Net Gain	Net Loss
Bank of Montreal..	240	248	8	...
Banque d'Hochelaga	144	150	6	..
Bk. of Nova Scotia.	249	262	13	..
Bank of Toronto...	176	194	18	..
Bell Telephone	125	138	13	..
Can. Pacific	150	152	2	..
Can. Cottons	110	108	..	2
Do., Pfd.	89	90	1	..
Can. Bread, pfd....	95	103	8	..
Canada Landed ...	85	82	..	3
Can. Permanent ..	182	188	6	..
Can. Bank of Commerce... .. .	184	196	12	..
Can. Cement, com...	86	92	6	..
Do., Pfd.	104	107	3	..
City Dairy	166	244*	78	..
Consumers' Gas ...	160	170	10	..
Dom. Bonds	182	189	7	..
Dom. Glass	103	114	11	..
Dom. Textile	63	65	2	..
Goodyear Tire, pfd.	81	90	9	..
Imperial Bank	175	195	20	..
Laurentide	90	81	..	9
Lake of Woods	167	185	18	..
Mackay, com.	111	115	4	..
Do., pfd.	66	68	2	..
Molsons Bank	155	173	18	..
Montreal Power ...	141	152	11	..
Montreal Tramways	159	173	14	..
Ogilvie, com.	320	370	50	..
Penman's	150	151	1	..
Royal Bank	212	227	15	..
Sherwin-Williams, com.	109	115	6	..
Pfd.	102	105	3	..
Standard Bank	167	171	4	..
Steel of Can., Pfd.	101	108	7	..
Shawinigan	118	131	13	..
Spanish River, Com.	100	102	2	..
Pfd.	106	114	8.	..
Toronto General Trust	202	212	10	..

*Equivalent price for split-up shares.

WESTERN LUMBER

The Canadian Western Lumber Co. reports sales of lumber for the month of October amounting to 9,214,949 feet, upon which $211,684 was realized. For the same month in the previous year the sales at 6,578,935 feet realized $191,254. The aggregate sales for the ten months ending October 31, amounted to 98,756,947 feet, and realized $2,441,971, which compares with 106,610,860 feet realizing $3,016,497 for the corresponding period last year.

CITY DAIRY

The market on City Dairy common is said to be pretty barren of stock at present prices and this is supported by the bid on the market which at the time of writing was 62 bid, 65 asked, or a difference of $3 per share between buyers and sellers. It is understood that the offering was of 100 shares. Brokers say there is little or no shares around, all that was to be sold at this level were let go when the shares were up there before. There is no suggestion that there will be any increase in the dividend on the shares, but the buying is said to be more in the nature of an investment than a speculation and it will take substantial rises in the market to bring out much stock.

IRREGULAR TREND TO STOCKS DURING HOLIDAY WEEK

Some Blame the Season, While Others See Warning Sign

MARKET INDICATOR
(20 Industrial Stocks)

Week Dec. 30		Week Dec. 23		Nov., 1923	
High	Low	High	Low	High	Low
70.5	68.7	70.9	64.1	65.1	58.9

It has been an irregular market since Christmas. It has been up and down within a narrow range. To many these breaks in the swing upward of the Canadian exchanges is nothing more than a reflection of the uneasy feeling that has been in evidence on Wall Street for the past few weeks. When New York has a bull market, Canadians are always faced with the question of how far behind New York will the Canadian lists keep and how soon after it breaks will Montreal and Toronto begin to react. Some brokers look upon the irregular local movements of the week as simply the expected in the midst of the holiday season, but others attach more significance to them than that. They wonder at this time of resolution making, how good 1925 is going to be in keeping to a resolution to continue the market expansion which started in the dying days of 1924.

Reviewing the trading of the past weeks' short and scattered sessions it is found that interest centred for the most part on issues that were the subject of special news. This applied more particularly to some of the utilities and industrials. Other shares for the most part held firm, although Montreal experienced quite a little liquidation towards the close of the year, which brought some of the leaders tumbling back from their proud position.

There is all kinds of optimism in the air in regard to the 1925 outlook, the difficulty being to separate the wheat from the chaff. Conservative houses are telling their clients to go slow about making heavy commitments and to study the situation closely.

	Gain	Loss	Unc.	Total
Banks	7	2	2	11
Paper	6	5	2	13
Steel	6	2	5	13
Milling	3	4	5	12
Utilities	7	2	5	14
Transportation .	6	8	2	16
Industrial	18	13	14	45
	—	—	—	—
	53	36	35	124

CANNERS' PACK FOR YEAR IS ALL SOLD

Common shares of Dominion Canners are now selling above 55 as compared with a low of 25 in April. There has been a great deal of talk about dividends on the common shares as a result of payment of dividends by Canadian Canners on their preferred shares. There is some doubt as to whether dividends will be paid for some time, but there is a feeling that the company is in a very strong position as a result of the year's operations and this is certainly awakening an interest in the stock. Canners is reported to have already disposed of its total pack for the year. This is an important feature as it reduces warehouse charges, insurance and other overhead materially. The pack the past year was not large. The trade knew it and was in the market early. Orders were so large that the tomato and corn pack was oversold by 60 and 70 per cent. respectively. These are the two largest items. Opening prices did not stand long. They immediately moved up and have stayed there. Canners did not operate all its small plants this year. In this connection there have been charges that these small plants were absorbed to close them down. The answer of the company is that they would have gladly kept them open and operating if contracts in sufficient quantity had been available. It is understood that the company intends in 1925 to operate every plant possible, but this, of course, will be regulated by their ability to make contracts with the growers. It is rumored that some of the small packers who sold out to Canadian Canners are making plans to start new plants. It is stated that their agreements do not provide that they shall refrain from re-entering the business. The accuracy of these reports could not be verified.

CANADA BREAD

When Canada Bread shares started up this time, the movement resembled the old one of some months ago when the shares momentarily touched par and then sagged back, only this time the stock did not stop at par but passed 101. It was stated that the last big movement was the result of a wager and the shares were put up from 90 to 100. This time the stock started at 95 and in two days trading passed 100. Solid buying orders are said to be behind this movement, however, and the stock is said to be scarce. However, there are large profits in the market for many holders of the shares as a great deal of it was picked up below 60, so that if the shares stand above par for any time, some brokers say they would not be surprised to see considerable of the stock liberated.

Iron and Steel

HOBSON EXPECTS BETTER THINGS IN STEEL INDUSTRY

Western Farmers Should be Able to Buy More Implements

Robert Hobson, president of the Steel Company of Canada, in reviewing the outlook in the steel industry in Canada in 1925 for Canadian Machinery, declares that although Prairie Province farmers are, at present, a little conservative in their commitments, all signs point to a revival of implement demand in the West, due to the fact that the majority of farmers are to-day in a financially favorable condition as a result of harvesting a record wheat crop in 1923, and a fairly normal one at unusually good prices this year; a condition which is enabling them to pay off mortgages and settle up other outstanding obligations.

Mr. Hobson expects demand to develop early in the coming year for railroad materials for rehabilitating the tracks of the West, in fact, he believes estimates are now being prepared for this work. The roads intend to lay 100 lb. rails to take care of the heavier equipment now in use on main line tracks, the rails replaced being used for extensions and repairs on branch lines.

Discussing the recent gathering in New York, at which Judge E. H. Gary, of the U.S. Steel Corporation, expressed the belief that, in a short time, probably by spring, U. S. Steel mill capacity would be taxed to the limit, Mr. Hobson points out that there is every indication in the United States that business not only is picking up, but will continue to do so, a trend which is bound to benefit Canada in the long run, although its effect may not be felt for three or four months in the Dominion.

Protection is Needed

Asked what he believed to be the greatest need of the steel industry in Canada, Mr. Hobson declared: "A higher tariff, to enable manufacturers to compete on equal terms with foreign products."

In stressing the type of competition steel producers of Canada have to meet at present, the Steel Co. head cited pig iron, produced in India, and sold in large quantities at prices which Canadian mills can not meet because of the difference in the labor costs of the two countries. Indian pig iron, he said, although of fair quality, is not the equal of that produced in the Dominion.

Commenting on recent price advances, Mr. Hobson predicted still higher prices before any benefits can be derived by producers, declaring a Buffalo price of $23 a ton to be practically production cost. With reference to billets and other products of Belgian steel mills entering this country, he said such materials are not up to Canadian standards, and much trouble has been experienced by users.

CANADIAN WESTINGHOUSE

Canadian Westinghouse shareholders get a 2 per cent. bonus dividend with the regular 2 per cent. payment for the final quarter of the year. Similar action was taken a year ago. This company has been a consistent dividend payer. In 1905 the rate was 6 per cent.; four years later it was increased to 7 per cent.; in 1911 to 8 per cent.; in 1912 to 9 per cent. In 1914, the opening war year, 7 per cent. was distributed, but in the succeeding years the rate was regularly maintained at 8 per cent. with extra disbursements of one or more per cent. made from time to time. In 1917 the distribution amounted to 32¾ per cent., including a 25 per cent. extra paid March 1, 1917. The company has an authorized capitalization of $10,000,000 of $100 par of which $7,427,900 is outstanding. Earnings on capital stock in 1923 were at the rate of 13.75 per cent.; 10 per cent. in 1922, 14.71 per cent. in 1921. The company was incorporated in May, 1903, and engages in the manufacture of all kinds of electrical apparatus, and its plants are located at Hamilton. R. A. Merrick, now vice-pres. and general manager has been named vice-pres. and general manager of Westinghouse Electric of New York, the parent company.

Rail Orders for Canada's Two Large Rail Mills

Canada's two important rail producing plants, Besco in the Maritimes, and Algoma Steel at the Soo, are soon to start operations on substantial rail orders. It is likely that in the east operations will be delayed until the industrial air clears. Due to the lapsing of the miners agreement soon, there is an air of unsettlement prevalent. No definite figures of the orders on hand or expected, have been given out.

Within a few days announcement of the size of the orders which Algoma Steel will receive from the C. N. R. and C. P. R. is expected. The brick plant of the corporation has reopened, and the open hearth furnace is being put in shape. It is announced that close to 80 per cent. of the $3,000,000 Lake Superior Corp. income bonds having been deposited, the company will proceed to have the bonds extended for five years, cancel $500,000 of the issue which were in the treasury and return to owners of the bonds with new coupons attached.

CANADIAN LOCOMOTIVE

Canadian Locomotive shares have been in demand, the shares moving up close to 90 as compared with a low of 85 in September and a high of 92½ in April. There is fresh talk of the merger with American Locomotive. The local company is in a very strong position and is regarded as having enjoyed a fair year.

Volume of Unlisted Stock Trading Grows Steadily

The unlisted security market developed considerable activity during the year. Dealers in this class of security report the turnover as large and rapidly developing. In another column will be found comparative prices for the first of the year and present of a selected list. It will be noted that the movement has been most mixed. There have been substantial gains and losses, while a few of the sounder issues have maintained their positions well.

SAGUENAY PULP

Arrangements for formation of the Quebec Pulp and Paper Mills, Limited, that will take over the Saguenay Pulp and Power Company and its subsidiaries are making progress, although several problems remain still to be solved. In the meantime provision has been made for meeting, not only the interest on the Saguenay bonds, but also on those of the Chicoutimi Pulp Company, in spite of the fact that the latter company is in liquidation. This interest is due on the first of January, and has not yet been passed by either company.

SUGAR REFINERS SHOULD DO BETTER

Prospects for Atlantic Sugar and Others Better for Coming Year

From Our Own Correspondent.

MONTREAL.—The continued decline in the price of refined sugar throughout the year has affected the profits of the sugar refineries to some extent. Atlantic Sugar, which is the company in which investors are most widely interested, is likely to show some slight decline in its earnings as compared wwith 1923, although the showing will not be at all unfavorable.

The highest price for refined sugar in Canada was reached in February, when the price went to $10.40, and the low price for the year was $7.50, materializing on November 15th and continuing until the end of the year. The price decline was due to the continuous decline in raw sugar prices. Other than the price of raw sugar, Canadian prices on refined sugar were influenced to some extent by the price of refined sugar in the United States; but the year 1923 saw another factor spring up that had a great deal to do with reducing prices in Canada, viz., the offering and sales of considerable amount of English and Scotch sugar at a much lower price than could profitably be met by Canadian refiners. Such a condition could hardly do otherwise than make a corresponding reduction in Canadian prices in an effort to head off the importation of those sugars even though the refiners stood to take a loss. Later, too, Belgian sugars arrived in Canada and served to hold prices on a steadier basis even though the market for raw sugar showed a steady disposition to reach a higher level of values.

Toward the end of the year, raw sugars further declined, due especially to the large increase in sugar production in nearly every sugar producing country in the world.

The situation is not without its favorable aspects. With the raw sugar touching the bottom, refiners can buy with more confidence and if there should be, as seems probable, a steady upward movement in sugar prices throughout 1925 the refiners would be in a position to make better profits. This would be the case especially as the sugar consumption in Europe is increasing in every country, except Russia and Germany, and improved economic conditions in these countries should lead to increased consumption there as well.

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'LUNATIC'S DREAM' TO FIX ASBESTOS PRICE ON EXPORT

So Declares Dr. Mathison, Replying to Suggestions in Post

From Our Own Correspondent.

MONTREAL.—"A lunatic's dream" is the phrase used by Dr. Richard V. Mattison, American asbestos manufacturer, to describe a recent article in THE FINANCIAL POST, in which it was pointed out that the heads of Canadian asbestos companies were asking for government intervention for the regulation of the prices of asbestos exported from Canada. Dr. Mattison is the president of Keasbey & Mattison Company, which operates big asbestos product plants in the United States, and which also owns the Bell Mine in Quebec province.

His mining company is generally regarded as the chief upsetting factor in the Canadian asbestos industry, as the production of the Bell mine over and above the needs of Keasbey and Mattison has been sold at prices that have made it difficult for other producers, who do not operate their own manufacturing plants, to maintain a satisfactory level of profits. Quite likely it was the Bell mine that was in the mind of W. G. Ross, president of the Asbestos Corporation of Canada, when he stated at the last annual meeting of the company that co-operation between the various asbestos companies was difficult, because it would not be possible to get full co-operation from the mines. The mines owned by American manufacturers would not co-operate. These mines, said Mr. Ross, were throwing their surplus material over their own requirements on the market, preventing others engaging in the industry from getting living prices. The only remedy was governmental intervention for the regulation of prices, urged Mr. Ross.

Let Economic Laws Work

The article in THE FINANCIAL POST to which Dr. Mattison has now taken objection was, in the main, an elaboration of the remarks of Mr. Ross, made at his company's annual meeting last April. Dr. Mattison feels that economic laws should be allowed to take their course without governmental interference.

Dr. Mattison is quoted by "Asbestos" of New York as calling the suggestion for governmental regulation of prices "stuff" and "a lunatic's dream" and he says further in regard to the article:

"Whether the consumers of asbestos throughout the world would consider the prices of asbestos thus established, as being fair, is quite another question. Probably not, and they would appeal to their legislative representatives to upset any arrangements which the government officials might enter into.

"We would call such an upsetting of the law of supply and demand the rankest kind of legislative folly, and noting the great similarity between the world-wide situation of copper and the world-wide situation of asbestos, we call your attention to an article, which appeared in the Philadelphia Evening Bulletin, describing the future of the world's copper production and consequent copper market, and the financial trouble which will ensue to the copper producers in the United States, we believing that the tremendous enlargement of plant, and consequent production of copper in the Congo district of South Africa will be apt to close permanently, tree-quarters of the copper mines of the United States.

A Parallel Case

"This is distinctly parallel to the present asbestos situation, the asbestos mines of Canada being closed by South African mines, which are run at a considerably less labor cost than can be done with the mines in Canada.

"Do you think in the case of the cheaper production of copper, that the government of the United States and Belgium should fix the price of copper—as is urged for asbestos—so that the worldwide users of this metal should be forced to pay an artificial tribute to those owners of copper mines, that are less favorably situated than are those producers in Chile, India or the Congo region of Central Africa?"

It is fair to point out that Dr. Mattison's comments must have been made some time ago, as "Asbestos" is only a monthly paper and some time would be required to print it. The recent negotiations for a merger may have changed the doctor's views.

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Public Utilities

More Financing Foreshadowed for National Telephone Co.

The National Telephone Company is applying to the Legislature of the Province of Quebec for power to increase the nominal or par value of its preferred shares to $100 each and to increase its borrowing power. This company recently sold securities for the purpose of improving telephone service between Quebec City and the New Brunswick border.

Nearly $5,000,000 Subscribed for Canada Northern Issue

From Our Own Correspondent.

MONTREAL.—It is reported by the syndicate that has charge of Canada Northern Power Corporation financing that orders were received for $4.500,000 of the 7 per cent. cumulative preferred stock offered, although the amount of the issue was only $3,500,000.

The heavy over-subscription was regarded as striking evidence of growth of interest in the resources of Northern Ontario. Canada Northern Power has developed some 50,000 h.p. The issue was offered by a syndicate headed by Nesbitt, Thomson & Company.

Valuation Award Favors Duluth Superior Company

Duluth-Superior property is valued by the Federal Court of the U. S. at $5,009,500 and the company is to be allowed to earn 7½ per cent. on this valuation. This is said to add $13 a share to the value of the stock for earning purposes. It means a 6-cent minimum fare. The only appeal now is to the supreme court of the United States. Whether it will be made depends on the attorney. The feeling between the city and the company is, however, more friendly than in the past. Under an initiated ordinance of the city of Duluth adopted at a special election recently by a vote of nearly two to one the jitney buses were recently prohibited between the hours of 6 a.m. and 10 p.m. from operating on any streets of the city upon which a double track street railway is constructed and operated.

The common stock began to move up in November, when for the first time this year gross earnings started to increase, and it was believed that a fair surplus on the common stock would be shown from then on. The company's balance sheet shows quite a fair working capital and no maturing obligations of any kind until 1930.

Shawinigan Steadier Due to Stabilization of "Power"

From Our Own Correspondent.

MONTREAL. — Shawinigan showed some decline recently in sympathy with Montreal Light, Heat and Power, of which company it is a large shareholder. With the stabilization in "Power" Shawinigan also is showing greater steadiness. Shawinigan is Canada's largest power company, with a total development capacity of approximately 500,000 h.p., and a future possible development of 150,000 h. p. additional. Its transmission lines have a total length of over 900 miles. In addition to furnishing a large proportion of the power used by the Montreal Light, Heat and Power Company, Shawinigan through its subsidiaries supplies electric lighting and power to 125 cities and towns in the province of Quebec, including the city of Quebec. Dividends have been paid without interruption on the stock for over seventeen years.

It is understood that the company's earnings in the present year have been very satisfactory and, with several important new power contracts coming on in 1925, the prospects favor a considerable further increase in earnings in that year. In consequence, an increase in the dividend rate is to be regarded as not far off.

C.P.R. Net Earnings Show Small Decline

From Our Own Correspondent.

MONTREAL.—The C. P. R. continues to attract attention from investment watchers because of its uncanny ability to hold net earnings close to 1923 level in the face of the severe declines in gross earnings occasioned by the smaller crop and the lessened turnover in business.

Net profits of the company for November, 1924, were well maintained despite a heavy decrease in gross earnings.

Following are the gross earnings, working expenses and net profits of the past two years:

	1924	1923	Dec.
	$	$	$
November			
Gross earn.	18,100,954	22,244,319	4,143,374
Work. exp.	12,071,964	16,133,849	4,062,784
Net profits	6,029,881	6,110,470	80,589
11 mos. end. Nov.:	1924	1923	Dec.
	$	$	$
Gross	166,811,984	176,700,415	9,888,430
Work exp.	133,314,044	143,177,532	9,863,488
Net profit	33,497,940	33,522,882	24,942

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING DECEMBER 28

	Div. Rate	Yield Dec. 27	High for wk.	Low for wk.	Close Dec. 28	Close Dec. 22	Sales for wk.	Range 1924 High	Range 1924 Low
Banks—									
Commerce	12+1	6.63	197	195	196½	196	81	205½	178
Dominion	12+1	6.87	190	189	190	193	27	195½	176¼
Hochelaga	10	6.78	..	..	..	..	..	150	143½
Imperial	12+1	6.76	194¼	189½	188½	193	72	194¼	169
Molsons	12	6.97	173	172	172	174	33	176	146½
Montreal	12+2	5.69	248	240½	245½	249¼	33	250	230
Nova Scotia	16	6.10	262½	262½	262½	266	10	266	248
Royal	12+2	6.14	228	227	227	227	328	240½	211
Standard	12	7.01	172	171	172	170	51	173	156½
Toronto	12	6.18	194¼	194	194½	194½	64	195½	169
Union	8	7.40	108	106½	107	107	75	109¼	97
Paper—									
Abitibi, com.	4.00	6.45	62¼	61¼	62½	60¼	455	69½	53
Do. pref.	7	6.93	..	..	..	..	..	103¼	97
Brompton Pulp	.	....	31⅜	31¼	31½	31½	175	43	26½
Laurentide	6	7.38	82½	81¼	82	81	646	98½	79½
Price Bros.	2	5.47	36½	36	36¼	36½	44	45	31
Prov. Paper, com.	6	6.59	..	..	..	..	..	110	83
Do. pref.	7	7.29	96	95	96	95½	34	97½	90
Smith, Howard, com.	.	....	25	24	24	24½	35	75	25
Do. pref.	8	10.12	79	75½	79	75	396	100	68
Spanish River, com.	7	6.86	104	101¼	102½	102½	545	114½	96
Do. pref.	7	6.19	117¼	112	114	114	303	120½	100¼
St. Maurice Paper	6	7.36	81½	81½	81½	83	120	112½	79½
Wayagamack	.	....	36	35	35	36½	245	46	32
Steel and Steel Industries—									
B.E. Steel, com.	.	....	2	2	2	2½	100	6	2
Do. 1st pref.	.	....	26½	26½	26½	29	45	57½	24
Do. 2nd pref.	.	....	8	8	8	10	85	17	6½
Can.Car & Found., com.	.	....	52½	51	52½	52½	925	54	36½
Do. pref.	7+1¾	8.14	93	85½	85½	93	470	97	83½
Can. Foundries, com.	.	....	..	..	..	..	..	31	19½
Do. pref.	.	....	..	..	..	..	..	45	45
Canada Iron, com.	.	....	..	..	..	..	..	8	4½
Do. pref.	.	....	..	..	..	..	..	35	25½
Can. Locomotive, com.	4	6.15	66¼	63	66¼	60	486	67	60
Do. pref.	7	7.95	89	88½	88½	89	15	89	86½
Dominion Coal	.	....	50	49½	50	50	20	81	40
Dominion Iron, pref.	.	....	..	..	..	..	..	57	27
Dominion Radiator	7	6.94	..	..	..	..	..	103½	94
Dominion Bridge	4	5.00	80	80	80	80	75	84½	67½
Dom. Steel Corp., pref.	.	....	..	..	..	..	..	73	35
N.S. Steel, com.	.	....	..	..	..	..	..	8½	6
Do. pref.	.	....	..	..	..	..	..	68	34
Ontario Steel, com.	4	9.30	..	..	..	..	..	45½	39
Do. pref.	7	7.77	..	..	..	..	..	93	86
Steel of Canada, com.	7	8.35	84	83½	84	83½	619	84½	69½
Do. pref.	7	6.48	108	107½	108	108	47	108	98
Milling—									
Canada Bread, com.	4	4.30	100	95	99¼	93½	273	100	63
Do. pref.	7	6.79	104	103	103½	103	89	104	95
Inter. Milling, pref.	7	7.07	99¼	99½	99½	99¼	29	100	87¼
Lake of Woods, com.	12	6.48	185	185	185	185	5	188	167
Do. pref.	7	5.88	..	..	..	..	..	129	115½
Maple Leaf, com.	.	....	72	71½	72	72	20	90	60
Do. pref.	7	7.03	99½	99½	99½	99½	55	100¼	87
Ogilvie Flour, com.	12+13	6.75	370	370	370	370	150	380	304
Do. pref.	7	5.73	..	..	..	..	..	122	116
Shredded Wheat, com.	8+2	7.14	..	..	..	..	..	140	135
St. Lawrence Flour	6	9.09	66	65	66	66	70	75	65
Do. pref.	7	7.21	..	..	..	..	..	97	89
Western Can. Flour	8	7.47	107	107	107	106½	15	107	98
Utilities—									
Bell Telephone	8	5.87	137	136	136½	139	126	140	125
Consumers Gas	10	5.88	170	170	170	167½	13	170½	159
Dom. Telegraph	6	6.38	..	..	..	..	..	47½	43
Kaministiquia	8	7.69	..	..	..	..	..	113½	96
Mackay, com.	7	6.04	115½	115½	115½	115½	120	120½	110½
Do. pref.	4	5.86	68½	67	68½	68½	143	71½	60
Mexican Light, com.	.	....	..	..	..	..	..	25	17½
Do. pref.	.	....	..	..	..	..	..	60	38
Mont. L.H.& Pr. Cons.	7	4.56	154½	151½	154½	152½	633	188	140½
Montreal Telegraph	8	6.03	..	..	..	..	..	53½	43
Ottawa L. H. & Pr.	6	6.31	95	95	95	94½	5	100	81
Quebec Power, com.	.	....	90½	89½	90	91½	90	95½	64
Do. pref.	7	6.66	..	..	..	..	..	105½	90
Shawinigan	7	5.38	130	128½	130	131	48	137½	120
So. Can. Power	1.00	....	68	67	68	67	223	73	51½
Do. pref.	6	6.18	..	..	..	..	..	97	93
Transportation—									
Can. Pacific Rly.	10	6.66	152	149½	151	152	133	156	146½
Canada Steamships, com.	.	....	11	10½	11	11	167	16	10
Do. pref.	.	....	48	47	47½	47	285	59	41½
Tractions—									
Barcelona	.	....	20½	20½	20½	21½	300	23	12½
Brazilian	4	7.40	55	54	54½	54½	1569	55	41½
Detroit Un. Rly.	.	....	26	25	26	25	1151	72½	19½
Duluth-Superior	.	....	31	28	31	28½	230	35	19
Illinois Traction, com.	.	....	..	..	..	..	..	103	63
Do. pref.	6	6.55	92	91½	91½	91½	55	94	87
Montreal Trams	10	5.78	173	172	172	173	7	179	148
Ottawa Traction	4+1	6.34	..	..	..	..	..	63	60
Porto Rico Rly., com.	.	....	36	36	36	36	20	38	18
Do. pref.	7	8.38	83½	83½	83½	83	10	87	66
Quebec Rly.	.	....	22	22	22	22	17	23	14½
Twin City, com.	4.00	6.86	58½	57½	57½	58	655	69	40
Do. pref.	.	....	..	..	..	..	..	99	82
Winnipeg Elec., com.	.	....	37½	36	36½	37½	462	38½	24
Do. pref.	7	8.04	87	86½	86½	86½	366	87½	74
Textiles—									
Can. Conn. Cotton, pref.	8	....	..	..	..	..	..	80	45
Can. Converters	7	7.56	81	80	81	81	30	90	70
Can. Cotton, com.	8	7.32	109½	105½	105½	108	35	111	85½
Do. pref.	6	6.66	..	..	..	..	..	91	82
Can. Woollens, com.	.	....	6	5½	6	5	28	7	4
Do. pref.	.	....	..	..	..	..	..	42½	34
Dom. Textile, com.	4.00	6.15	66	65	66	65½	331	67½	53½
Do. pref.	7	6.37	..	..	..	..	..	110	104½
Monarch Knitting, com.	.	....	..	..	..	..	..	35	25
Do. pref.	7	10.00	..	..	..	..	..	82	65
Montreal Cotton, com.	6	6.41	..	..	..	..	..	100	89½
Do. pref.	7	6.60	..	..	..	..	..	107½	104
Penmans, com.	8	5.28	151½	151	151	150½	80	165	131
Do. pref.	6	6.00	100	100	100	101	10	101	92
Wabasso Cotton	4.00	6.89	..	..	..	..	..	72	47
General Industrials—									
Amer. Salesbook, com.	5	....	..	..	..	..	..	47	36
Do. pref.	7	7.77	..	..	..	..	..	95	83½
Asbestos, com.	.	....	35½	35	35½	35	135	39	19
Do. pref.	6	8.10	74	74	74	73½	13	75½	52
Atlantic Sugar, com	.	....	..	..	..	..	..	21½	11
Do. pref.	.	....	..	..	..	..	..	51	32½
Bird & Son, pref.	7	8.48	..	..	..	..	..	89	80
B.C. Fishing	.	....	20½	20	20	21½	95	25	8
Burt, F. N., com.	10	7.16	140	139½	139½	140	120	148	127
Do. pref.	7	5.34	..	..	..	..	..	136	131
Canada Cement, com.	6	6.45	95½	90	93	89	1283	95½	83
Do. pref.	7	6.54	107½	106	107½	107½	415	108	102½
Cons. Rubber, pref.	7	8.75	..	..	..	..	..	90	73
Can. Gen. Electric, com	.	....	..	..	..	..	..	117	52½
Do. pref.	7	6.42	55	54	55	55	44	56½	51½
Can. Indust. Alcohol	8	....	19½	19½	..	19½	996	44½	18½
Canadian Salt	8	6.66	..	..	..	..	..	120	108½
Carr. Factories, com.	.	....	..	..	..	..	..	2½	½
Do. pref.	.	....	..	..	..	..	..	17	15
City Dairy, com.	12	4.83	62	60½	62	57	215	64	44
Do. pref.	7	5.60	..	..	..	..	..	110	104
Crows Nest Coal	.	....	45½	45½	45½	45	100	51½	45
Cuban Can. Sugar, com	.	....	6	6	6	6	55	13	5
Do. pref.	.	....	35½	35	35	35	83	54	35½
Dom. Canners, com.	.	....	55½	49½	55½	49½	1406	55½	20½
Do. pref.	7	7.52	96½	93	95½	93	98	96½	82½
Dominion Glass, com.	7	6.08	115	114½	115	114	46	121½	103
Do. pref.	7	6.39	109½	109½	109½	109½	13	111½	102½
Dominion Stores, com.	1.00	....	35	[illegible]	34½	35	89	35½	24½
Do. pref.	8	8.29	96½	96	96	96	7	100	81
Davies, Wm. (A)	.	....	..	..	..	..	..	27½	11½
Eastern Theatres, com.	.	....	14	14	14	14	60	14½	12
Do. pref.	7	9.42	..	..	..	..	..	74½	67
Ford Motor	10	....	..	..	..	..	..	485	450
Goodwins, com.	.	....	..	..	..	..	..	48½	20
Do. pref.	7	9.33	75	75	75	71	45	95	69½
Goodyear Tire, pref.	7+1½	7.77	90	89	89½	89½	144	95½	71
Frontenac Brew., pref.	7	7.69	91	91	90	93	10	122	90½
Holt, Renfrew, pref.	7	10.76	..	..	..	..	..	66	52
King Ed. Hotel	.	....	..	..	..	..	..	21	19½
Lyall Construction	.	....	..	..	..	..	..	21	9½
Macdonald, A.	.	....	5	2½	5	5	30	5	2½
National Brew., com.	4.00	6.52	61½	61	61½	61½	452	63½	48½
Do. pref.	7	6.66	..	..	..	..	..	106	95
Pacific Burt, com.	6	6.43	93½	93½	93½	93	76	101	91
Do. pref.	7	6.60	106	106	106	105	25	106	100
Port Hope Sanitary, com	.	....	59	59	59	56	10	61	48
Do. pref.	7	7.77	..	..	..	..	..	90	90
Rogers, Wm. A., com.	.	....	..	..	..	..	..	68	45
Do. pref.	7	7.69	..	..	..	..	..	100	88
Russell Motor, com.	.	....	25	25	25	25	3	35	17½
Do. pref.	7	9.85	..	..	..	..	..	80	48
Sherwin-Williams, com	6	5.21	115	115	115	115	106	128½	100
Do. pref.	7	6.68	104½	103½	104½	104½	435	106½	98
Sterling Coal	4	8.42	47½	47½	47½	48½	2	48½	40
Tooke Bros., pref.	.	....	..	..	..	..	..	40	38
Tuckett Tobacco, com.	4	6.78	59	59	59	59	10	64½	57
Do. pref.	7	7.14	98	98	98	98	16	98	92½
Woods Mfg. com.	.	....	..	..	..	..	..	35	23½
Do. pref.	7	10.76	..	..	..	..	..	67	59
Trust and Loan—									
Canada Landed	10+1	6.17	..	..	..	..	..	86	79
Can. Permanent	12	6.38	188	188	188	188	13	192	179
Colonial Invest.	6	....	4	5	4	5	4	7	2½
Hamilton Prov.	10	6.66	150	150	150	147½	15	150	141
Huron & Erie	7+½	6.00	..	..	..	..	..	125½	120
Landed Banking	9	6.42	..	..	..	..	..	142	138
Montreal Loan	12+1	7.02	..	..	..	..	..	46½	46½
National Trust	12	5.66	..	..	..	..	..	215	210
Ontario Loan	11	6.02	..	..	..	..	..	97½	97½
Real Estate Loan	7	7.86	..	..	..	..	..	89	85
Toronto Gen. Trusts	12	5.66	212	212	212	212	3	215	202
Toronto Mortgage	10	5.55	..	..	..	..	..	90	81½
Union Trust	7	8.23	..	..	..	..	..	85	84

MINING STOCK QUOTATIONS

WEEK ENDING DECEMBER 29

	Div. Rate	Yield Dec. 29	High for wk.	Low for wk.	Close Dec. 29	Close Dec. 22	Sales for wk.	Range 1924 High	Range 1924 Low
Apex	..	..	..	..	..	..	....	3½	2½
Algonquin	..	..	..	..	..	..	....	2½	1½
Argonaut	..	..	28	27	28	27½	22400	65	20
Atlas	..	..	4½	4	4	4½	21000	7½	3
Baldwin	..	..	2	1½	2	1½	16500	7	1½
Beatty	..	..	1½	1½	1½	1½	8000	6½	1½
Beaver	..	..	24	23½	24	24	4700	34½	12½
Bidgood	..	..	5½	5½	5½	5½	2500	15½	5
Boston Creek	..	..	..	..	..	..	....	10	3
Buckingham	..	..	4½	4½	4½	4½	94500	7½	2½
Can. Lorrain	..	..	48	47	47	48½	3500	73½	39
Capitol	..	..	32½	32	32	32	16000	39	30
Castle Tre.	..	..	71½	70½	70½	71½	11450	81	58
Clifton	..	..	15½	15½	15½	15½	17750	22	6½
Coniagas	5	11.90	..	..	..	..	....	2.25	1.15
Cons. Smelters	6	8.00	50	47½	50	47½	3055	50	30
Cons. W. Dome	..	..	16½	15½	16	15½	43200	32	14½
Col. Kirkland	..	..	..	..	..	..	....	7½	2
Crown Res.	..	..	50	47½	47½	48	36100	76	42
Davidson	..	..	..	..	..	..	....	5½	4
Dome Mines	2.00	14.81	13.60	13.15	13.50	13.50	16.45	20.45	12.00
Dom. Kirkland	..	..	..	..	..	..	....	1½	½
Everett	..	..	4½	4½	4½	4½	5500	17	2½
Gold Reef	..	..	..	..	..	..	....	2½	1
Goldale	..	..	16½	16	16	16	2500	51	14½
Hattie	..	..	2	1½	1½	1½	191500	10	1½
Hattie, pref.	..	..	54	53	53	52	4350	59	40
Hollinger	13	4.27	15.20	14.88	15.20	14.90	7789	15.20	11.40
Hunton	..	..	5½	5½	5½	5½	1000	15	5½
Inspiration	..	..	..	..	..	..	....	11	6
Indian	..	..	7	5½	7	5½	21500	67	3½
Inter. Nickel, com.	..	..	26½	24½	26½	23	250	25	11½
Keora	..	..	8½	8	8	8½	8500	13½	7
South Keora	..	..	22	21½	22	20	5000	[illegible]	18½
Keeley	24	11.26	2.15	2.09	2.13	2.09	9965	[illegible]	1.73
Kirk. Lake	..	..	29½	29	29½	27½	8400	[illegible]	14½
Lakeside	..	..	9½	9	9½	9	19475	25	6½
La Rose	..	..	6½	6½	6½	7	500	29½	4
Lake Shore	20+5	5.61	4.45	4.41	4.45	4.41	1325	4.50	3.41
Lorrain T.L.	..	..	1.33	1.32	1.32	1.33	300	1.46	1.08
Lorrain	..	..	17½	16½	16½	17½	20000	30	11½
McIntyre	20	6.49	15.55	15.35	15.40	15.50	1103	18.60	14.75
McKinley	..	..	15	14	14½	15½	3000	16½	9
Mining Corp.	..	..	2.78	2.62	2.75	2.70	9260	3.99	2.30
Moneta	..	..	15½	15½	15½	15½	1000	24	14
Newray	..	..	23½	23	23½	23½	11300	45	19½
Nipissing	12+6	13.85	6.60	6.10	6.50	6.40	1755	6.60	5.35
Night Hawk	..	..	25	25	25	30	700	97	25
Ophir	..	..	..	..	..	..	....	4½	1½
Peterson Lake	..	..	9½	8	9	8½	14800	10	7
Porcupine Crown	..	..	..	..	..	..	....	12½	2½
Preston E.D.	..	..	10	9½	10	9½	11800	16	8½
Rouyn	..	..	..	..	..	..	....	48	9
Silver Leaf	..	..	..	..	..	..	....	..	..
Teck Hughes	..	..	1.25	1.14	1.24	1.14	12350	1.34	1.05
Thompson-Krist	..	..	..	..	..	..	....	8	1½
Timiskaming	..	..	19½	19½	19½	19½	1000	32½	16
Tough-Oakes	..	..	36	33½	36	35	19250	75	33
Trethewey	..	..	16½	16	16½	16½	6350	18	7½
Skead	..	..	..	..	..	..	....	30	15½
Vickers	..	..	10½	9	9½	9½	5500	23½	7
Vipond Cons.	..	..	1.34	1.33	1.33	1.34	6566	1.40	95
Wakenda	..	..	..	..	..	..	....	4	2
Wasapika	..	..	2	1½	2	2	2000	4½	1½
West Tree	..	..	3½	3½	3½	3½	1000	7	3
Wettlaufer	..	..	12½	12½	12½	12	500	30	11
Wright-Har.	10+2½	3.20	3.95	3.85	3.90	3.90	1175	4.00	2.75
Oil Companies									
B.A. Oil	8+2	7.04	35½	35	35½	35½	1750	37½	31½
Imperial	12	2.60	115	112½	115	113	118	121	99½
Inter. Pete.	25c	..	22½	22	22	23½	55	24½	17
Mutual	10	4.16	12½	11	12½	12	330	14½	9½
North Star, com.	..	..	..	..	..	..	....	1.15	.50
Do. pref.	7	8.86	..	..	..	..	....	4.00	3.25

BOND MOVEMENTS OF THE WEEK

WEEK ENDING DECEMBER 29

BONDS	Int. Rate	Due Year	Yield	Range 1923 High	Range 1923 Low	Range 1924 High	Range 1924 Low	Latest Price Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos	5	1942	7.08	90	79	83½	75	79	—	79	—
Bell Telephone	5	1925	5.00	101	97¾	100½	98¾	—	99	100	—
Can. Car	6	1939	5.74	101	95	102½	99	—	102½	102½	—
Canada Bread	6	1941	5.76	100	96	102½	98¾	—	101½	102½	—
Can. Cement	6	1929	5.42	103½	100	103½	100	—	100	102½	101
Cedar Rapids	5	1953	5.20	98½	93	99¼	95	99¼	97½	97	—
Dom. Iron	5	1929	7.17	94	84	92½	85	—	91½	91½	91
Ogilvie "B"	6	1932	5.37	102½	101	104½	101½	—	104	104	—
Quebec Rly.	5	1939	6.05	83½	68	92	80	90	89½	89½	—
Wabasso	6	1947	6.68	96	85	96½	90½	92	—	92	—
Wayagamack	6	1951	7.22	86½	75	86	74½	85½	85	85½	84½
Montreal Trams	5	1941	5.45	92½	87½	95½	93½	—	95	95	—
War Loan	5	1925	3.97	100.95	99.10	101.70	100.15	101.00	100.90	100.95	100.70
Do.	5	1931	4.63	101.90	99.80	102.40	101.15	102.20	102.10	102.20	101.95
Do.	5	1937	4.57	103.80	107.70	104.15	102.10	104.00	103.90	104.15	104.05
Victory Loan	5½	1927	4.49	103.50	101.50	103.50	101.85	102.80	102.70	102.85	102.45
Do.	5½	1933	4.64	106.55	104.00	106.70	104.30	106.20	106.10	106.25	105.90
Do.	5½	1934	4.93	103.90	101.30	104.90	102.40	104.20	104.10	104.20	104.00
Do.	5½	1937	4.63	108.45	106.10	109.00	106.30	108.60	108.50	108.55	108.37
Do. Renewal	5½	1927	4.87	102.85	100.00	103.67	101.00	102.15	102.00	101.70	—
Do. "	5½	1932	4.99	103.20	98.15	104.15	101.35	103.35	103.25	103.15	103.00
Do. Refund	5	1928	4.79	99.80	98.00	101.30	99.40	100.75	100.65	101.00	100.65
Do. "	5	1943	4.83	99.00	97.90	102.85	99.90	101.95	101.85	102.00	101.85

UNLISTED BONDS

(Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	98½	..
Alabama 5% 1962	85½	86½
Algoma Steel 5% 1962	29	31
Belding 5% 1936	85	..
Belgo Can. Paper 6% 1943	98½	98½
Brand-Henderson 6% 1939	90	..
Burns, P. & Co. 6½% 1943	98½	..
Can. National Rly. 5% 1954	99½	100½
Calgary Brewing 5% 1942	78	..
Can. Steamship Lines 7% 1942	96½	97½
Can. Light & Power 5% 1949	59½	..
Can. Pacific Rly. 5% 1934	99	99½
Can. Steel Foundries 6% 1936	100	..
Dom. Iron 5% 1939	58½	60
Dom. Power 5% 1932	95½	96½
Dom. Textile 6% 1949	102	..
East Koot. Power 7% 1942	100½	102
Fraser Co. 8% 1941	106½	..
Frontenac Brewing 6% 1951	88	91
G.T.P. Sup. 4% 1955	76½	..
Holt, Renfrew 5% 1937	..	96
H. Smith Paper 7% 1941	89½	91
Lake Sup. Paper 6% 1941	105	..
Laurentide Power 5% 1946	96½	98½
Laurentian Power 6% 1936	97½	..
Maple Leaf Milling 6½% 1943	103½	..
Maisonneuve 5% 1954	99½	100½
Man. Power 7% 1941	98½	99
Mattagami 7% 1949	30	..
Montreal Steel Works 6% 1940	100	..
Province of Ontario 5% 1948	99	100½
Nor. Ont. Power 6½% 1931	95	96½
Ontario Pulp 6% 1931	106	..
Price Bros. 6% 1943	99	99½
Shaw. Cotton 6% 1949	..	78
South Canada Power 6% 1948	102	102½
Spanish River 8% 1941	107½	108
St. Maurice Power 6½% 1953	103½	104½
Windsor Hotel 6½% 1943	101½	..
West. Koot. Power 6% 1943	101½	..
West Power 5% 1949	92	..
West Power 7% 1926 debs.	99	..
Quebec Power 6% 1953	99½	99½

UNLISTED SECURITIES

	January 1st Bid	January 1st Ask	Present Bid	Present Ask
Alta. Pac. Grain, com.	100	104	130	..
Do. pref.	89	92	98	101
Brooks Steam (1 pref. 2 com.)	*5½	*7	6	7½
Can. Machinery, com	5	8	2	4½
Do. pref.	30	37	13	16
Canadian Oil, com.	39	43	32	35
Do. pref.	91	95	92½	96
Can. Westinghouse	136	..	135½	138
Cockshutt Plow, pref.	42½	44	26	28
Cosgrave Brew.	5	..	4	4½
Dom. Comb. Mills (1 pref., 2 com.)	*40	*60	65	75
Dom. Power, com.	38	40	31	33½
Do. pref.	96	97½	97	99
Dom. Sewer Pipe, com	25	28	30	33
Dunlop Tire, pref.	80	83	79	82
Durant Motors (A)	*7½	..	5	..
Do. (B)	*6½	7½	6	..
Do. (C)	*7½	9	7½	..
English Elec., com.	9½	..	..	10
Do. pref.	48½	51	38	40
Famous Players, com.	66	..	14	15
Do. pref.	71	74	73	75
Farmers Dairy	53	..	65	..
Gunns, Ltd., pref.	30	..	32	..
Hamilton Pantages, com	2	..	1½	2½
Do. pref.	40	..	47	..
Imp. Tobacco, com	5	7	6½	..
K. Ed. Hotel Deb. A	*54	59	56	58
Do. Deb. B	*30	35	36	..
K. & S. Tire, com.	.75	..	..	.60
Do. pref.	25	27	11	14
Loew's Hamilton, pref	38	..	46	50
Loew's London, com.	3	..	1½	2½
Do. pref.	5½	6½	4½	5½
Loew's Buffalo, com.	1	1½	1	1½
Do. pref.	50	53	68	70
Loew's Ottawa, pref.	..	24	21	23
Loew's Toronto, com.	31	35	28	31
Do. pref.	64	..	68	71
Manitoba Power, com	18	21	20	21½
Marconi Wireless	1.00	1.40	1.00	1.25
Simpson, Robt., pref.	87½	89	97	99
Western Grocers, pref	30	32	31	32½
Loans and Insurance—				
Brit. Am. Assur.	6	7	6	7
Capital Life	23	..	22	25
Continental Life	25	..	25	28
Excelsior Life	32	..	33	..
Manufacturers Life	55	58½	55	58
Ont. Equit. Life	18	22	25	..
National Life	*50	..	43	50
Sterling Bank	87	89	111	113
Sun Life, pref.	172	..	185	..
Trusts & Guar.	..	72	69	72
Western Assur.	7	7½	7	9

*Listed during the year.

Your January Funds

We should welcome the opportunity of suggesting the most advantageous reinvestment of your January Funds.

We make a specialty of finding investments to suit individual requirements as to safety, yield, maturity, etc., and place emphasis on the necessity of conforming your holdings to your exact needs.

We should be glad to assist you to start the New Year right and invite you to consult us.

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Royal Bank Bldg TORONTO

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also Spinners' Fine Counts of Yarns

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Hessians, Buckrams
Paddings and Twine
Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

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Refineries - St. John, N.B.

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TRADE MARK REGISTERED

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Makers of FIVE ROSES FLOUR
Mills at Keewatin, Portage la Prairie, Medicine Hat
DAILY CAPACITY 13,700 BARRELS

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Vice-President & Gen'l. Manager,
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Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

WILL UTILIZE WASTE OF FISH

HALIFAX, N.S.—The National Fish Company, of Halifax, are adding a new industry to their plant, a fish meal mill in which they will utilize the waste from their products, such as fish skins, etc., in the manufacture of a meal to be used as a feed for horses, cattle, etc. Heretofore this waste has been taken out to sea and dumped, but with the addition of new machinery to their present plant they will now be able to take care of this waste as well as giving employment to several men.

Pulp and Paper

THIS YEAR WILL SEE CANADA LEAD IN NEWS OUTPUT

President of Pulp and Paper Association Prophesies This for 1925

By GEORGE CARRUTHERS,
President, Canadian Pulp and Paper Ass'n.

At the beginning of the twentieth century, the pulp and paper industry of Canada was very small and was practically unheard of outside of the Dominion. To-day it has risen to a leading position in the industrial life of the country and Canada has become the world's largest exporter of pulp and paper.

The almost phenomenal growth of the industry is of comparatively recent date as it was only in 1913 that, for the first time, the domestic consumption of pulpwood, the raw material of the pulp and paper industry, exceeded the quantity exported.

Since that time progress has been rapid and continuous and now the pulp and paper industry ranks first among the manufacturing industries of the Dominion.

Two of the main causes contributing to this development in the industry were the embargoes placed upon exportation of pulpwood from crown lands by various provinces and the removal of customs duties upon wood pulp and newsprint paper by the United States, which threw open the American market to Canadian products.

Develop Water Power

The impetus thus provided enabled the manufacturers of Canada to utilize her tremendous natural resources in the form of extensive forests and abundant, easily developed water powers, which are the foundations upon which the industry has been built up and which are destined to provide the basis for greater future development.

It is estimated that Canada's pulpwood forest area amounts to 350,000 square miles and that these forests contain some 800 million cords of pulpwood. A great deal of this raw material is, of course, not available for pulp and paper production under present conditions, but it is an asset of great value and tremendous possibilities for future development.

Available water powers in Canada have been estimated at over 18 million horsepower and at the present time 727,000 horsepower is being utilized for pulp and paper mills.

In most cases the mills are established at a water power site, and when expansion necessitates additional electrical energy another nearby hydraulic site has been developed and hydro-electrical energy transmitted to the mill.

Without the wonderful water power resources the development of the pulp and paper industry would have been impossible, but the possession of such resources, combined with large reserves of timber, are an assurance of the future which awaits this industry in Canada.

Growth Extraordinary Recorded

A striking illustration of the growth of the pulp and paper industry in Canada is afforded by figures showing the consumption of pulpwood in the domestic mills; for which complete records exist as far back as 1908.

In that year the total quantity of wood consumed in the manufacture of pulp and paper was 483,000 cords; in 1913 the consumption had risen to 1,109,000 cords, a total slightly in excess of the amount exported in that year.

In 1923 the Canadian pulp and paper mills consumed 3,264,000 cords, or nearly three times the quantity used in 1913 and close to seven times the consumption in 1908. This large increase in the consumption of wood is naturally reflected in the figures showing the production of wood-pulp, which increased from a total of 307,000 tons in 1908 to no less than 2,470,000 tons in 1923: a remarkable advance in a period of fifteen years.

In addition to the large quantities of wood used in the domestic manufacture of pulp and paper, Canada has for years past exported a considerable amount of pulp wood to the United States for use in the pulp and paper mills of that country.

Over a million cords of pulpwood annually have been shipped to the United States during the past fifteen years and when this fact is considered in conjunction with the large quantities of wood-pulp and newsprint paper supplied to that country by Canada every year, it will be realized to what a large extent the United States depends upon the Dominion for its supply of paper.

U. S. a Logical Market

The geographical position of Canada with regard to the United States and the inability of the latter country to supply its own requirements for paper, combine to make it the logical market for Canadian pulp and paper and our shipments of pulp and paper to our southern neighbors form a very considerable item in the balance of trade between the two countries.

A recent computation shows that of the total securities of the various pulp and paper companies, approximately 75 per cent. are held by Canadian, 22 per cent. by American and 3 per cent. by British investors.

It is probable that American investments will increase largely in the future, as large operators whose supplies of raw material in the United States are getting short, are looking to Canada as the logical location for further developments.

British financial interests have been interested in the progress of this industry in Canada, but owing to various reasons operative since 1917, British capital has not played a prominent part in the rapid development which has taken place.

The manufacture of newsprint has made greater progress in Canada than any other branch of the industry and our production of this grade of paper is now second only to that of the United States, with a reasonable certainty that in 1925 Canada will assume the leading position and become the greatest producer of newsprint in the world.

The chief factors contributing to this development are the immense natural resources in lumber and water powers and the tremendous market for the finished product in the United States. In 1913 the production of newsprint paper in Canada amounted to 350,000 tons and since that time there has been a steady increase in the output, which in 1923 reached the impressive total of 1,266,000 tons.

The domestic consumption of newsprint in the Dominion is comparatively small, being about 125,000 tons annually, and of the 1,263,000 tons produced last year, no less than 1,138,000 tons were exported.

Of the total exported the United States took 1,115,000 tons or close on 90 per cent. of the entire production. Expansion in this branch of the pulp and paper industry has been rapid, and in the last eighteen months no fewer than eleven new machines, some of which are the largest in the world, have been added to the productive capacity of the mills.

One of these machines, made in Canada, recently produced over 110 tons of newsprint in 36 hours' operation, which is probably a world's record.

The present daily capacity of the Canadian newsprint mills is 4,840 tons daily, as compared with a daily capacity for the United States' mills of 5,212 tons, and by the end of the present year Canada will be in a position to produce over 1,500,000 tons of newsprint annually.

The pulp and paper industry is an important factor in the economic and industrial life of Canada. The manufacturers of machinery, the transportation of vast quantities of raw and finished materials, the furnishing of supplies and the thousand minor activities connected with the industry are all intimately connected with the welfare of a great number of people not actually employed in the manufacture of pulp and paper.

The big pulp and paper companies have been of great service to the country apart from the actual cash income derived from the export of their products. They have developed tremendous water-powers, have opened up new territories, established towns in which their employees can live under good conditions and have contributed in every way to the physical and moral welfare of those employees.

The pulp and paper industry in Canada is now well established and rests upon firm foundation of vast natural resources. Expansion is still going on and is likely to continue as the products of Canadian paper mills are becoming more widely known each year.

Expect Larger Imports of Finnish Newsprint

From Our Own Correspondent.

NEW YORK.—While imports of newsprint paper into the United States from European countries were slightly less in October than in September, 12,242 tons entered the United States. This would be at the rate of 147,000 tons a year.

Discussing this situation in the January issue of the International Paper Monthly, the organ of the International Paper Company, F. T. Harris, assistant to the vice-president of the company, says:

"While imports of newsprint paper into the United States from European countries were slightly less in October than in September, yet 12,242 tons came in, which is at the rate of 147,000 tons a year.

Both Finland and Norway sent more newsprint to this country in October of this year than during October, 1923.

"Through its increasing export trade, Norway is giving evidence of gradual recovery from the exceptionally adverse economic and industrial conditions which have lowered the production of the various industries of that country and consequently reduced exports of newsprint paper to the United States as well as those of other commodities. These conditions account for the fact that during every month of this year, with the exception of October, newsprint paper received in this country from Norway was less in quantity than during the corresponding month of last year. It would now appear, therefore, that Norway is returning to a condition which will enable it to resume shipments of newsprint on a large scale to this country."

ST. LAWRENCE PAPER

Evidence of the earning power of newsprint companies even with considerable curtailment of output and price declines is furnished in the paying of all arrears of preferred dividends by St. Lawrence Paper Mills Limited. These accrued dividends amount to 12 per cent. as of December 31, 1924. Payment will be made on January 15th to shareholders of record December 31st.

START UP AT BEAR RIVER

The Bear River pulp mill is about to begin operations at Bear River, N.S., where C. W. Rantoul is the manager. He stated that a pipeline to convey water 5½ miles had been constructed, the plant will manufacture sulphate kraft pulp, and the capacity is 48 tons a day. The product will go to the Perkins-Goodwin Company, of New York, and will be shipped by water. About 80 men will be employed. The Bear River Pulp Company, Limited, who are the present owners of the plant, being the successors of Clarke Bros., have between 30,000 and 60,000 acres of wood-land in Digby and Annapolis counties.

BELGO-CANADIAN PAPER

The Belgo-Canadian Paper Company is now operating a well-balanced mill, with its fifth and sixth paper machines in operation. These bring the output up to the desirable limit, based on natural resources and water supply. Profits are meeting the most favorable expectations of those who refinanced the company over a year ago.

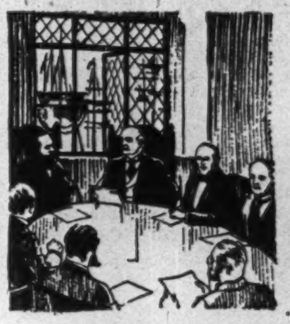
According to preliminary reports, the forthcoming statement will be an excellent one and will cover the previous eighteen months. From reliable sources, it is learned that the net earnings of "Belgo" for several months have been in the vicinity of $140,000, and if this is a fact, the shareholders will be greatly pleased with the report. "Belgo" has been able to achieve a reputation as a low cost producer and the statement will bear this out.

Earlier in the month, the directors saw fit to put the common stock on a 6 per cent. basis, and it is known that an application to the Montreal Stock Exchange to have the $4,000,000 7% cumulative preferred listed on the main board as well as the $8,500,000 of common, is in hand.

Packing Concern's Profit Was Quarter Cent a Lb.

The improvement in the packing industry of both the U. S. and Canada is reflected in report of the Cudahy Packing Co. of the U. S. which reports that 1924 was marked by an inventory turnover of just over 10 times for a total of $203,750,000. The average profit was a quarter cent per pound. E. A. Cudahy, president, says of the outlook: "The year 1923 closed with the prices of packing house products at a very low level. In the latter half of 1924 these prices advanced materially, but are still relatively low when compared with the prices of most other food products. This fact, coupled with the unmistakable improvement in general business conditions, insures a good demand for our output, and I look forward confidently to another successful year for the company."

Ore receipts at the Trail Smelter of the Consolidated Mining and Smelting Co., for the second week of December amounted to 8,488 tons, and for the year to date 446,236 tons.



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Limited

Manufacturers of
Ground Wood - Sulphite Pulp
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Next to United States Government, State and municipal bonds and a few of the highest grade corporation securities, the investor in the "States" ranks the bonds of Canada and her great provinces and larger cities. Many States permit savings and trust funds to be invested in such bonds and thousands of other institutions and private investors are in the market for bonds of the provinces and cities of the Dominion.

Public officials in charge of provincial and city finance and bond dealers with securities to market, should not overlook this market in the "States" when seeking buyers for Canadian municipals. Embraced in your bond sales publicity campaigns should be publications circulating in financial circles in New York, Boston, Philadelphia, Chicago, Cleveland, Detroit, St. Louis, and other investment centers of the U. S.

There are in the United States many excellent financial publications. There is one logical place in which to advertise a provincial or municipal bond offering. That is—

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Public Utilities

POWER PROJECTS NOW UNDER WAY FOR 1,000,000 H.P.

Investors Must Supply $300,000,000 in Ten Years

From Our Own Correspondent.

MONTREAL.—The beginning of 1925 sees almost unparalleled activity in Canada in the installation of hydraulic power generating stations. There are under construction in Canada at the moment, developments of a capacity of over 1,000,000 h.p. to add to the 3,250,000 h.p. already developed. The estimate is that of H. E. M. Kensit, M.E.I.C., of Ottawa.

According to Mr. Kensit, all indications at present point to increasing activity in the development and use of electric power from all sources, and therefore, of course, to increased demand for the machinery, material and supplies required therefor.

The electric power industry stands out conspicuously as having maintained its construction activity with but little diminution throughout the trying period of the world war, and as it also maintained its financial soundness and dividend earning capacity during the same period, it now stands ready to meet the great development for power demand that is in sight with credit of the highest standing in the money markets of the country, the leading banks, trust companies, and financial houses being a unit in declaring that, outside of government bonds, there is no better class of security obtainable than that of electric light and power undertakings.

While both Canada and the United States have large reserves of undeveloped water power, that of Canada is well distributed from coast to coast, but in the United States, as shown above, the bulk of the water power is far removed from the centres of industrial concentration.

In Canada over 70 per cent. of all the power in use, excluding railroads, is water power, and in the United States the position is reversed. The growth of water power development in Canada, therefore, fairly represents the growth of power demand and manufactures, and may be represented thus:

MANUFACTURERS AND WATER POWER OF CANADA.

	Populat'n	in manufactures Capital invested	Turbine H.P. installed H.P.
1900	5,332,000	$ 446,900,000	157,000
1910	6,917,000	1,247,600,000	965,000
1920	8,631,000	3,443,300,000	2,482,000
Inc., % 1900 to 1920	57	670	1480

The development of water power in Canada now amounts to nearly 3,250,000 installed turbine horsepower, the capital invested therein to $700,000,000, and it is estimated that some $300,000,000 of further capital will be needed for the same purpose within the next ten years.

This $300,000,000 is for development and distribution only, and, on the same basis as for the United States, over seven times this amount will need to be expended for the wiring of factories and houses, and the purchase of motors, apparatus, lamps, etc., required in the application of the energy.

Steam Power Again

The "come back" of steam power is an interesting development in Canada at the present time. Notable steam-electric power plants that have been constructed during the past year in Canada are those of the Winnipeg Hydro-Electric System in Manitoba, and of the Ford Motor Company in Ontario.

In Ontario the commission in charge of hydraulic development estimates that by the end of 1926 all the power available from works already provided by the commission will be in use, that water power development, owing to international and legal delays and the length of time needed for construction, cannot possibly keep up with the oncoming power shortage, and that recourse must be had to large steam-electric plants.

The commission are considering the erection of a steam plant in Toronto in 1925 with an initial capacity of 100,000 horsepower at a cost of about $8,500,000, and its possible increase to an ultimate capacity of 300,000 horsepower, and it is expected that this will be followed by other steam plants of similar capacity at other points.

Mr. Kensit states in "Canadian Machinery" that this is not a backward step, for the improvements during the past few years in the economy and efficiency of steam plants have been so great that it is now the opinion of the leading power engineers of this continent that higher economy in power production can be obtained in many cases from a proper combination of inter-connected steam and water power plants than from either one separately.

The engineers of the Hydro-Electric Power Commission of Ontario have stated that under Ontario conditions the cost of electric power from the combination will not be increased over that from water power alone, so long as the ratio of steam plant capacity to total capacity is not in excess of 40 per cent.

BARCELONA

"There is no reason to sell it and no good reason to buy it," is the way an authority on Barcelona Traction sized up the situation in this stock when asked to explain its weakness in these shares now selling at 20¼ compared with a November high of 23. There is not a very keen interest in the shares, said this authority. Conditions in Spain are unsettled and there will never be a great rush here to hold securities of European enterprises. He explained that when the shares pass the 20 mark, every half point rise meets with a great deal of selling. There is a considerable amount of the stock held here, which was purchased three or four years ago around 20 and the holders are glad to get out. The rise in price in November was due to the filling of a large order for the shares from London and once this was out of the way the shares sagged.

BRAZILIAN

Accumulation of Brazilian shares between 54 and 55 goes steadily on. Transactions are fairly large, running better than 6,000 shares for each of the last two weeks. A year ago the stock was selling around 42, the year's low. It reached 50 in February, sagged to 46½ at the time of the revolt in Brazil in August and since that has moved up quite steadily. The present heavy buying movement made its appearance the second week in November, when the shares jumped up to 55. It is generally felt that a great deal of the buying is with funds received from the Toronto Railway shares.

Earnings of the company have been at a high point since October, in which month the net earnings bettered the report of the same month a year previous by $264,000. At the same time the year's results fell just short of a half million dollar improvement.

TORONTO RAIL STUBS

The optimism in regard to the possible return to shareholders of Toronto Rails has declined $1 worth. A week ago stubs, after $110 had been paid, were selling at $7.50. At that time the opinion was voiced in some quarters that the stubs were worth $10 or $10.50. The market's answer to this was to fall off $1 to $6.50, which indicates that there has been considerable selling of the stubs.

UNIQUE MONTERAY UTILITIES OWNED IN THE DOMINION

Operating in Mexican City Company Runs Sewers and Other Services

One of the unique and interesting, but little heard of foreign utilities, controlled in Canada is Monteray Railway, Light and Power Co., a concern which seems to have worked itself in more closely as an all-round utility provider for this Mexican city than any other. Not only does it provide utilities in the generally accepted meaning of the term, but it also supplies Monteray's water and sewerage systems, and evidently controls the plumbing and electrical supply business of the city. The company got a fairly generous treatment from the State of Nuero Leon, as its franchises are of the 99 year variety in most cases with optional agreements for others that are of shorter terms. To most people it is rather extraordinary to see a sewerage system operated as a private rather than municipal enterprise. It is all the more so when the government of the State undertakes to guarantee the profits of the private operator. The Monteray Waterworks and Sewer Co., a subsidiary, to 1904 was given a 99-year franchise to operate waterworks, sewage and drainage works. If during that period the gross revenue in any one year is less than 10% of the invested capital, the government shall make it up. This guarantee stands good even if the water supply be interrupted through scarcity of water. No moneys paid under the guaranty have to be repaid. All revenue over and above 10% is divided equally between the company and government. At the end of 40 years the government can purchase the property at a price equal to 16 2/3 times the average annual net profits received during the preceding 3 years. The company, all its stock and properties, are free of state and municipal taxes. Incidentally, the company benefits from the sewage, as along with another subsidiary, the Railway Co., it owns a 2,500 acre sewage farm.

After reviewing that concession the franchise of the railway company, a 99 year one, is quite commonplace. It operates 26 miles of railway and when the franchise runs out, the state can acquire it as a going concern by arbitration. Taxes of all kind were free from 1905 to 1925 and then on a sliding scale, going up one per cent. every ten years, from one per cent. until 50 years is reached and from then on not more than 3 per cent. The company has practically a monopoly in the sale of power and light and the same modern plant operates the railways.

It is not surprising that such an enterprise would have at least one different financing feature. This is found in the company's sinking fund debenture stock, a "C" issue. This issue was made in 1921 when a reorganization plan was carried out and went to holders of first mortgage debenture stock in lieu of accrued interest, while bankers were allotted a certain sum. This issue is non-interest bearing, and is redeemable by a non-cumulative sinking fund of not less than 6 per cent. per annum of the total amount of such stock to be provided out of the profits available for the purpose. Redemption will be by drawings. No dividends can be paid on the $500,000 per cent. cumulative preference shares, until half the "C" debenture stock has been redeemed.

There is $2,675,092 outstanding. Standing ahead of the issue are $2,400,000, "A" 5 per cent., a first mortgage stock, on which interest is being paid and $2,400,000 "B" 5 per cent. cumulative income bonds, on which interest is accruing since Aug., 1922. There is also an issue of $733,125.67. Notes secured by "A" and "B" debenture stock, which has been put up as collateral.

Public Utility Earnings

Canadian Western Gas

	1924	1923	Change
October	$76,052	$59,028+	$17,024

Winnipeg Electric

October	1923	1924	Change
Gross Earn. . . .	$ 437,039	$ 430,185—	$6,854
Expenses	297,693	277,987—	19,706
Net earnings . .	139,346	152,198+	12,852
Agg. Gross from 1st Jan. to end of Oct.	4,360,236	4,324,303—	35,933
Agg. Net from 1st Jan. to end of Oct.	1,313,312	1,270,569—	42,743

B. C. Electric

	1923	1924	Increase
Gross Earn.	$ 883,365	$ 915,328	$31,963
Expenses, M'ntenance, etc.	625,532	654,420	28,888
Net income ...	257,833	260,908	3,075
Agg. Gross from July 1 to Oct. 31	3,440,242	3,592,897	152,655
Agg. Net from July 1 to Oct. 31	984,840	996,700	11,860

Monterey Railway

3 mos. to Sept. 30, 1924	Gross	Working Expenses	S'rplus
Rly. Light & Power	$192,358	$219,953	*27,594
Water. & Sewage	61,212	36,666	24,546
Total	$253,571	$256,619	*3,047
Agg. Earnings from 1st Jan., 1924, to Sept. 30, 1924	$730,089	$727,450	$2,639

*Deficit.

Brazilian Traction

1924	Gross	Net	Net Inc.
Jan. . . .	$ 2,128,185	$ 1,345,070	$ 77,761
Feb. . . .	2,200,534	1,324,472	76,331
March . . .	2,240,271	1,406,727	78,674
April . . .	2,239,842	1,406,746	166,527
May . . .	2,334,169	1,476,040	143,665
June . . .	2,322,906	1,495,263	140,391
July . . .	1,730,572	1,005,240	x345,877
Aug. . . .	2,217,189	1,351,749	19,095
Sept. . . .	2,248,260	1,444,734	189,683
Oct. . . .	2,485,495	1,568,072	263,299
Nov. . . .	2,346,029	1,415,829	292,457
Total . .	$24,493,452	$15,239,942	$1,102,006

x—Decrease.

CITY MAY TAKE OVER WINNIPEG RAILWAY

The Whole Question to be Considered by the New City Council

From Our Own Correspondent.

WINNIPEG.—For the purpose of considering the advisability of taking over the street railway from the Winnipeg Electric Co. here, a special committee may be appointed by the new city council at the first meeting of that body on Jan. 6. The matter is now under discussion in municipal circles, and it is felt that early action to deal with the question is desirable. The city will have to give its decision on the franchise question in June of 1926, which will probably mean that the electors will be consulted in a referendum at the next civic elections.

The preliminary procedure suggested is that the committee, thus appointed, should devote itself to ascertaining all the facts relating to the street railway utility and the probable obligations which would have to be assumed provided it were acquired under the terms of the agreement. It is also proposed that a survey of other street railway situations should be made in different cities in Canada and the United States. The experiences of Toronto will be checked up with particular interest, as the problem there at the time of the acquisition is believed to be, in many respects, similar to the one with which Winnipeg is confronted.

Apart from the referendum it is felt that the council will have to come to its own decision as to how the interests of the city should best be safeguarded on the street railway question. The matter will consequently likely be an issue at the next elections.

It is generally believed that the taking over of the street railway would also mean that the city would have to acquire the Pinnewa power plant of the Winnipeg Electric Co. The question of the company's gas utility may also enter into the negotiations.

Calgary Power Co. Has An Expanding Market

CALGARY.—The development of hydro-electric power has been receiving considerable attention in Calgary lately, as the supply is only sufficient for present needs. The city of Calgary has been operating its own electric light and power station since 1905, and has now an investment therein of $2,954,800. The bulk of the power, however, is purchased from the Calgary Power Co. The city's steam plant is used largely as an auxiliary. Extensive surveys of other power sites have been made, and a site at Spray Lakes will, no doubt, be developed by the Calgary Power Co., unless the provincial government, which has been looking into the matter, should decide to undertake the work. There is no doubt that, in the near future, considerable work will be undertaken either by the Alberta government or by private concerns in order to supply the rapidly increasing demand for hydro-electric power in Calgary and vicinity.

Mexico Has Cancelled Its Naval Financing Agreement

The end of one of the most unusual pieces of international financing came when it was announced that the Mexican Government has canceled the $50,000,000 loan which J. L. Arlitt, New York and Texas banker, undertook to underwrite in September out of proceeds of funds to be raised through the issue of Mexican Government 6 per cent. external loan oil production tax bonds. Financial circles were astounded when announcement was made three months ago that a huge loan to Mexico had been arranged by a man practically unknown to Wall Street. Mexican financing of this type has always been handled through "Wall Street" and that the traditional channels had been entirely ignored in placing the new business, together with the failure of the Mexican Government to inform the International Committee of Bankers on Mexico of its project, made the success doubtful from the outset in the minds of many.

DULUTH SUPERIOR

Duluth Superior shares are now selling around 32 as compared with a low of 16 the last of October and a high of 34½ the first of last year. Earnings of the company improved greatly during the last quarter of the year, and though there is still a preferred dividend in arrears, the street is already talking of common dividends, and this is bringing about buying of the shares. Those in close touch with the affairs of the company state that no action on a common dividend is to be expected until well on in the year.

Betterment of Position of Oil Producers is Delayed

Over-production of oil is not due altogether to the opening of new fields. Contributions of casinghead and cracked gasoline have played an important part. The industry has gone ahead believing that production could never, for long, keep abreast with the demand for gasoline. These agencies, however, have made one barrel of crude do the work of two. The result is that the same amount of crude as produced in 1921 will meet the estimated requirements of 1925. Walter C. Teagle, president of Standard Oil, of New Jersey, says the industry seems to make little headway against the obstacle of an excess amount of oil in storage.

American Petroleum Institute reports the daily average production for the week ending Dec. 13, 1,997,300 barrels—an increase of 2,500 barrels over the previous week. The Wortham pool in Texas contributed 17,200 barrels daily to this total, compared with 8,100 barrels the week previous; but latest advices from Houston report that new wells recently brought in have swelled this production to 40,000 barrels daily. Should the Wortham field develop any great amount of flush production, it would, no doubt, cause a further backing up of crude held by mid-continent companies, and postpone, for a time, any immediate improvement in their finances.

This issue having been over-subscribed for by investors, this advertisement appears as a matter of record only.

NEW ISSUE

$3,500,000

Canada Northern Power Corporation
Limited

7% Cumulative Preferred Stock

Dividends accrue from January 1st, 1925, and will be payable quarterly April 15th, July 15th, October 15th, and January 15th. The Preferred Stock will be redeemable in whole or in part, at the option of the Company at 110 and accrued dividend. Stock will be non-voting except in the event that, and so long as there shall be any default in the payment of four consecutive quarterly dividends.

CAPITALIZATION

(On completion of present financing)	Authorized	Issued
7% Cumulative Preferred Stock	$7,500,000	$3,500,000
Common shares, no par value	75,000 shs.	35,000 shs.

Transfer Agent: Montreal Trust Company. *Registrar: The Eastern Trust Company.*

THE COMPANY

The Canada Northern Power Corporation, Limited, incorporated under the Laws of the Dominion of Canada, controls through ownership of over 90% of the capital stock of Northern Canada Power Limited, four hydro-electric power plants, three of which are located on the Mattagami River in Northern Ontario and the fourth on the Quinze River in the Province of Quebec. The power generated is supplied to the gold-mining districts of Northern Ontario. The rapid development of this industry during the last few years is shown by an increase in production from $42,637 in 1911 to $20,079,317 in 1923. Gold production from the mines of Northern Ontario for the year 1924 is estimated at $23,000,000. To ensure its customers an adequate supply of power, the fourth plant of the Company, with a capacity of 20,000 h.p. located at the Ka-Ka-Ke Falls on the Quinze River, Province of Quebec, has recently been completed and placed in operation. The ultimate capacity of this plant is 60,000 h.p.

PROPERTIES

The plants of the Company have a total installed capacity of 50,000 h.p. and an ultimate capacity of 90,000 h.p. The location of these plants is as follows:—

1. Sandy Falls, Mattagami River (Ontario) 5,000 h.p.
2. Wawaitin Falls, " " (") 16,000 h.p.
3. Sturgeon Falls, Mattagami River(Ontario) 9,000 h.p.
4. Ka-Ka-Ke Falls, Quinze River (Quebec) 20,000 h.p.

The Ka-Ka-Ke Falls plant has an ultimate capacity of 60,000 h.p. any additional installation beyond the present capacity can be completed at a very low cost per h.p., owing to the fact that the major portion of the work has already been completed.

The transmission system of the Company consists of approximately 175 miles of high-tension lines connecting the various plants with the Company's sub-station at Timmins, from which point power is distributed to customers. The new steel tower line from the Quinze plant is approximately 124 miles long; over this line power is transmitted at 110,000 volts.

The replacement value of the properties has been recently estimated by well-known engineers at about $10,000,000. As the funded debt of Northern Canada Power Limited amounts to $4,500,000, the equity for these shares amounts to about $5,500,000 or over $150 per share.

EARNINGS

Gross Earnings for year ending December 31st, 1924 (December estimated)	$933,000
Net Earnings after payment of all operating expenses, taxes, including Dominion of Canada income tax and bond interest, but before depreciation, are estimated at	434,000
Amount required for dividends on this Preferred Stock	245,000
Surplus Earnings on the Common Stock for the year 1924, may, therefore, be estimated at approximately	$5.50 per share

The power demand from which the above earnings were derived represents only 60% of the installed capacity. Through the sale of additional power from the present Quinze development the net earnings available for Preferred and Common Stock dividends are estimated at over $700,000 or nearly three times Preferred dividend requirements.

POWER MARKET

The possibilities of the power business in the territory served are shown by the fact that the plant output in 1924 will exceed that of 1923 by, at least, 30 per cent, and is practically double that of 1920.

Northeastern Ontario and Northwestern Quebec are undoubtedly the greatest undeveloped mining fields in the world today. Among the customers of the Company are the important mines in this district including the Hollinger Consolidated, Dome & McIntyre and also the Northern Ontario Light & Power Company Limited. The power requirements of these and other customers are constantly increasing and it is estimated by the end of 1926 that the Company's four plants totalling 50,000 h.p., will be loaded to their present capacity.

In addition to its mineral wealth the territory served is rich in timber resources, the development of which is creating a further demand for hydro-electric power. Among the larger pulp and paper companies now established in Northern Ontario are the Abitibi Power and Paper Company, Limited, Mattagami Pulp and Paper Company, Limited and the Temiskaming Pulp and Paper Company, Limited.

The properties and plants have been favorably reported on for us by Messrs. Viele, Blackwell & Buck. of New York (who have been associated with the property since its inception), and by Mr. A. R. Henry, Montreal. All legal details subject to opinion of our Counsel, E. R. Parkins, K.C., Montreal.

We offer these shares as, if, and when issued, and received by us, and subject to the satisfactory legal opinion of our Counsel.

Price: 99 and accrued dividend to yield over 7%
carrying a bonus of 3 shares of common stock of no par value with each 10 shares preferred.

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TORONTO

The statements in this advertisement are not guaranteed, but are based on information which we believe reliable and on which we acted in purchasing these securities.

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Members Standard Stock Exchange
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News of the Mines for the Investor

MINING LIST HAS NOT SHOWN TRUE POSITION OF MINES

Industry Quite Prosperous While Shares Have Gone Backward

The mining possibilities of Northern Ontario in 1925 are great. As one travels through the north, he sees on every hand, new mill construction and mill enlargements on an unprecedented scale. Many mines are set for production after years of development work. The year should be the best yet in the matter of additional tonnage, and tonnage means gold and silver production — newly created wealth, which ultimately leads to dividends. Thus there are oportunities for investment in well selected stocks. Recently we estimated that 1925 would lay the ground work for Canada's gold production passing that of the U. S. in 1926.

Asked recently for our view of the mining outlook for 1925, THE FINANCIAL POST answered with the above. The year promises to bring quite a number of propositions nearer their goal. It can hardly be a more active year than 1924, for though the mining share market experienced a number of rough passages, it never reflected the sound position which the industry was in. The dying days of 1924 reflected a much stronger tone in the market. The leaders all moved to higher levels. The buying which seems to have entered the market between Christmas and New Year's was evidently of a sound and intelligent order. Only the good issues received attention. Those issues generally referred to as "cats and dogs," and which while including a number of promising prospects also includes most of the undesirables, seems to have been left more or less severely alone. In passing, the point might just be made here, that it would be a good move in any clean-up of the Standard Exchange, as is being talked of, if some legal way could be devised to get a number of these questionable isues off the board. They are a menace. Their removal would improve the standing of the exchange materially.

Not a Good Market

Taking the 1924 market on the whole, it was not a good one for the public. A number of well sponsored issues fell down most miserably, the two outstanding being Night Hawk and Tough Oakes Burnside. Both had a substantial following. Reviewing the gains and losses of the market for the year, it will be found that out of 23 good issues, eleven of them are to-day selling 1,209 points below the first sale in 1924, or an average of 110 points. On the other hand 12 of them are selling 680 points above the first sale of the year, while taking gains and losses together the decline for the 23 stocks is 530 points or an average of 23. Of the important stocks, below will be found the opening and closing price for 1924:

	Open 1924	Close 1924	Change
Dome	20.00	13.50	—6.50
Hollinger	12.25	15.35	+3.10
Lake Shore	3.50	4.45	+ .95
McIntyre	18.50	15.50	—3.00
Keeley	1.75	2.10	+ .35
Mining Corp.	3.20	2.75	— .45
Nipissing	6.40	6.50	+ .10
Night Hawk	.92	.25	— .67
T. O. B.	.69	.35	— .34
T. Hughes	1.35	1.25	— .10
Vipond	.96	1.33	+ .37
W-Hargreaves	2.85	3.90	+1.05

Fight for Control

There is quite an optimistic feeling abroad that the New Year will not be very old before the public will turn its attention to the mining market. This view is undoubtedly based on the experience that when the large markets get up to the point where the profit makers are hard to find, the attention generally switches to the mining shares. There is an indication that some new buying is already in the market, but its strength is another matter. There is, on the other hand, a feeling that too much optimism in regard a bigger market should not be stored up. Undoubtedly part of this is traceable to the fight that is on for control of the mining exchange. In this regard the air should be cleared one way or another the middle of the month.

Future of Silver Price Regarded as Uncertain

The silver market at the close of the year is not as strong as it has been. Prices in U. S. and London have weakened of late.

London says some moderate buying orders have come from India and a certain amount of bear covering has taken place on account of China. The pronounced appreciation of the currency pound has not materially affected the tone of the silver market, which has been characterized by only small supplies. The Continent has been a seller, and intermittent sales have been made by America. The immediate future of prices is uncertain. Unless India continues to give support, it is possible that the improvement in the exchange with the United States will make itself more felt.

American silver producers' conference reports that ex-Senator Thomas of Colo., says there is a shortage of $40,000,000 in the treasury silver account under the Pittman Act operations which should be made up by additional silver purchases at $1 per ounce.

The conference favored action to prevent demonetization of silver in foreign countries and restore silver to its former monetary position; conduct research and advertising to extend the use of silver in the arts and industries; develop new and enlarged uses of silver through the Bureau of Mines; and secure legislation to protect the term "sterling" in the arts and industries.

Huronian Belt Operations in Canada Are Enlarging

Huronian Belt operating Keeley, Vipond, and Canadian Lorrain, is steadily increasing its operations in Ontario and Quebec as shown by the recent report. This London concern under Dr. J. Mackintosh Bell, managing director, is the most successful of its kind. Six important properties are held in various parts of Quebec, totalling 4,300 acres. Considerable work has been done. The report makes interesting references to the various operations, especially the Vipond and Keeley which have been dealt with at length from time to time in THE POST.

Profits for the year ended June 30 last at £51,508, to which is added the balance forward, £25,491, making a total to the credit of the profit and loss account of £77,000. The capital of the company of 200,000 shares of £1 each is now entirely issued and fully paid up. A dividend for the last fiscal year of 5 shillings per share is recommended by the directors.

It is now proposed to organize a separate company to push development of the company's Canadian mining holdings.

Rich Gold Hill Property Will Soon be Reopened

A private syndicate has been organized to finance the operation of Gold Hill mines in Boston Creek. It is expected that operations will be resumed about the middle of the month with D. H. Angus, one of the principal owners in charge. Gold Hill is regarded as one of the richest little operations in the north country. A rather narrow vein was traced on surface for well over 200-ft. Sinking operations were started on it and as it got down the vein widened until at 100-ft. it was twice the width of surface. It is now about a foot wide and is rich in free gold. So far the vein has been drifted on for 80-ft., it is strong and the values are fairly consistent and high. Three carloads were shipped from the shaft and these gave an average return of better than $50. The new funds are to be used to carry the shaft to 300-ft. It is expected that at that depth the vein will be found to be a great deal wider. It is also proposed, for the present, to have the ore taken from the shaft treated at the new Barry-Hollinger mill.

H. A. Kee Suggested Further Work on Davidson Property

The Mining World of London, makes in another way, the point raised by THE FINANCIAL POST, when the first news of the Bullen report on Porcupine Davidson was issued. It was that the property was condemned by inference. Mining World says:

The difference of opinion as to the mine amongst mining experts, to which we drew attention some weeks ago, is again made manifest in these reports. Mr. Bullen is of opinion that expenditure on the Porcupine-Davidson mine should be stopped, and that the capital available might be more usefully, and, perhaps profitably, employed on another property. Mr. Kee, while generally endorsing the views of Mr. Bullen, makes recommendations for further development, and has given proof of his belief that the effort is worth making by accepting an official position in connection with the company. Mr. Kee is also manager of Kerr Lake mine, in the same district.

KEEP OUT 'TILL YOU KNOW WHY GOLD IS IN N. ONTARIO

This is Peculiar One of Two Interesting London Views

Two interesting views on Canadian mining investment were published in England recently. "Mining World" says the "improved attitude of investors towards Canadian mining is due to the knowledge that the industry is being developed with energy and success, and also that mining is encouraged by the government of the day, and particularly by the Hon. Charles McCrea, Minister of Mines for Ontario, and Mr. Thomas W. Gibson, deputy-minister. The visit of the former to England unquestionably did a large amount of good."

On the other hand "'The Statist" says that the caution it has advised has been based on reports by independent mining engineers, who, while admitting the possibilities of the field, are generally of the opinion that, with a few exceptions, properties offered in this country are, in comparison with the risks, over-capitalized. Nor does the system of mining generally adopted gain the confidence of experts accustomed to conservative and permanent methods of underground operations. The support of investors may be better warranted when something is known as to the causes of mineral deposition. At present payable ore bodies have been found at the juncture of the Keewatin and diabase, and fractures in the vicinity of contact, but the why and wherefore is still unknown, and it is entirely a matter of luck whether the contact and fracture are mineralized or barren. While this uncertainty lasts any company seeking support should possess large claim areas to compensate for disappointments. This is recognized in a scheme now being seriously considered by certain London interests, which will amalgamate a big stretch of country in the Porcupine district.

Gypsum Operation Plans to Ship 50,000 Tons in 1925

HALIFAX.—About 50,000 tons of gypsum will be shipped under contract from the Ingonish Gypsum Co. plant at Ingonish, during 1925. The past three months saw over 10,000 tons of the mineral shipped to the Upper Canadian market. Although the work was late in starting, last summer, considerable headway was made, and a large quantity of mining machinery was installed, a new shipping pier erected, and the above mentioned amount of gypsum shipped from Ingonish.

SILVER AND OTHER METALS

Dec.	27	29	30	31
Silver—				
London (d.)	—	31¾	31½	31 9/16
New York	—	66¾	66½	66½
Copper	14⅞	14⅞	15	15
Lead	9.60	9.60	9.60	9.60
Zinc	7.70	7.70	7.80	7.80

Notes on Mine Progress

Clifton

Clifton's announcement that it had taken over the Provincial seems to have been the outstanding market success of the latter part of the year. The shares are now selling at 16½ or 10 points above the low mark in November. Transactions in the last three weeks have totalled 110,000 shares and the firmness in the shares seems to indicate good buying.

Mining Corporation

Shares of Mining Corporation have taken a little spurt of late, selling up to 2.85, which compared with a high of 3.95 last February and a low of 2.35 in August. Undoubtedly the good results being obtained on the old Cobalt properties as well as the new high grade find in Lorrain, which seems to be standing up better than other occurrences of this nature, is responsible for the good buying that has sprung up.

Teck-Hughes

Teck-Hughes took quite a spurt earlier in the week, the movement being almost simultaneous with the report that the company had cut a new vein in shaft sinking. This hardly could have made the stock move the way it did however, jumping, as it did, from 1.16 to 1.25 in a part of the trading session. This is the first time the shares have sold above 1.20 since Oct. 1.

Dome

Dome shares are coming in for a little more attention. For a time after the recent break, the public seems to have been off this stock entirely. For this they could hardly be blamed. However, rumors about the position of the mine have worn themselves out and new confidence is springing up. There are quite a number who are optimistic in regard to the shares which recovered 30 points in the last week to 13.60.

C. W. Dome

During the past week there have been long date transactions in Consolidated West Dome. The first was a 10,000 share order for 60 day delivery at 16⅛ or ⅜ above the prevailing market. Then there were 60 and 90 day sales at 16 and 16⅛. Little is coming out from the north in regard to developments at the mine. What the public is looking for most is a statement from the company setting forth clearly its financial position.

Keeley

Keeley has weathered the heavy liquidation of these shares in good style and seems now to be on the way to recover some of the lost ground. It is now at 2.14, which is the high mark since the liquidation started and compared with a low of 1.97 the first week in December. Keeley's high for the year was 2.68 in January. Though England is reported to have been selling because of the break in Bingo, there has been, on the other hand, some buying due to the success which is being met with in developing the western section of the property.

Hollinger

Hollinger selling at 15.53 has achieved a new high for these shares, the previous high mark being 15 in October. The present advance marks an increase of $3.10 a share for the year. Undoubtedly the market is discounting an increase in the dividend at the annual meeting, which will be held in the first quarter of the year. Hollinger's annual statement is expected to show earnings of a million dollars for each four weeks' period, which is the basis on which Hollinger has paid its dividends in the past, one per cent. each period. In the past year $3,198,000 was paid out in dividends, the same as has been the case now for four years. This year will certainly see an increase in this rate, probably to put shares on a 30 per cent. basis. Hollinger's power troubles are over and when the mill is ready, the big jump in production is to be expected.

THINK DOME'S "NO PAR" PECULIAR

"The Dome capital is arranged in a peculiar way. We have never yet known any mining company to be without a par value for its share. Dome capital is simply 1,000,000 shares, and you are at liberty to consider the par value any figure you like to put down." This is a London view as taken from one of the weekly mining papers.

VICTORY MINES

Victory Mines, Cobalt, will re-open this year. The company sank a shaft last year but did little development to explore the downward continuation of the known veins. Some high-grade ore was found at surface, while one vein of high-grade was cut during the course of sinking the shaft. The company is controlled in St. Catharines.

Lord Harris, in his address to the shareholders of the Consolidated Go Fields of South Africa, in London, said: "We continue to keep in close touch with Canadian mining through the medium of the Porcupine Development & Finance Co. The report of the chairman's speech disclosed a position of considerable promise," he said, of this company's annual meeting.

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Printer and Publisher
Sanitary Engineer
Canadian Automotive Trade

Current Events in Banking World

ROYAL BANK ALSO SHOWS IMPROVED LIQUID POSITION

Profits Maintained and More Than Covered All Appropriations

From Our Own Correspondent.

MONTREAL.—As has been the case with other bank statements presented of late, the annual report of the Royal Bank of Canada shows a large increase in holdings of high grade investment securities. The result has been to improve the bank's liquid position. In the Royal Bank report securities have increased by $41,000,000, and of this increase $34,000,000 is represented by enlargement of holdings of government and municipal bonds. It will be recalled that other recent bank statements have shown a similar upward trend in quick assets.

In the Royal Bank report current loans are down by $7,500,000 despite an increase of $40,000,000 in deposits, again following the general trend in banking matters at the moment in Canada.

It is apparent, then, that the more liquid position of Canada's banks is not so much an evidence of general strengthening by the banks of their balance sheets at the expense of their profit accounts, as it is an evidence of the general slackness of business in Canada during the past year. The expenses of the banks have been maintained and the higher amounts in savings deposits have helped to keep up these expenses. Yet income from the banks' commercial operations has declined. It has been a difficult period for the banks and they are fortunate in having been able to hold profits as close to 1923 levels as they have.

The very fortunate feature of the situation is the fact that there is so much working capital available to finance the country's business as improving conditions bring about larger turnover.

The Royal Bank Statement

To revert again to the Royal Bank report which prompted these comments. The bank has increased its total assets, these standing at $583,789,509 as against $538,358,554, an increase of $45,430,955. As will be seen from THE FINANCIAL POST'S analysis of these assets, which is published below, the liquid ratio is higher.

Current deposits are up from $109,575,137 to $123,537,342 and savings deposits from $311,759,127 to $338,291,428.

The profit and loss account shows that even with general business somewhat less active, earnings have been well maintained. Net profits for the year amounted to $3,878,976, as compared with $3,909,316 in the previous year. The profits added to the amount carried forward made an amount available for distribution of $4,964,806. This was distributed as follows:

Profit and Loss Account

	1924	1923	1922
Profits	$3,878,976	$3,909,316	$3,958,469
Pensions	100,000	100,000	....
Bank premises	400,000	400,000	400,000
Taxes	465,000	475,000	500,000
Available for div.	$2,913,976	$2,934,316	$3,058,469
Dividend and bonus	2,856,000	2,856,000	2,856,000
	$ 57,976	$ 78,316	$ 102,469
Prev. surplus	1,085,881	1,007,514	905,045
Bal. fwd.	$1,143,807	$1,085,830	$1,007,514

IMMEDIATELY AVAILABLE LIQUID ASSETS

	1924	1923	Change
Specie	$16,881,608	$16,946,169—	$ 64,561
Dom. Notes	34,730,446	29,446,597+	5,283,849
Note cir. dep.	1,020,000	1,020,000	......
Notes, bk.	3,004,799	2,750,470+	254,329
Call loans abd.	17,797,477	30,065,208—	12,267,731
Bank bal.	747	.......+	747
Do., ab'd.	28,797,188	22,290,159+	6,507,029
Gov. secs.	53,039,825	28,783,051+	24,256,774
Cheques	25,656,809	24,987,366+	669,443
Gold res.	11,000,000	11,500,000—	500,000
For. curr.	27,349,190	23,711,773+	3,637,417
	219,278,089	191,500,793+	27,777,296
% total assets	37.6	35.6+	2.0
% total liab. to public	40.6	38.6+	2.0
Other Assets			
Public sec.	25,634,914	15,900,362+	9,734,552
Other secs.	17,677,562	10,436,952+	7,240,610
Call loans	16,454,174	16,307,367+	146,807
Current	148,499,355	157,738,786—	9,239,431
Elsewhere	106,747,584	104,487,764+	2,259,820
Lets. of cred.	31,298,067	23,226,065+	8,072,002
Real estate	1,668,230	1,734,512—	66,282
Mortgages	447,581	387,891+	59,690
Premises	13,350,717	13,560,168—	209,451
Non. curr. loans	1,978,417	2,496,418—	518,001
Loans to comp.	289,501	252,346+	37,155
Other assets	465,318	329,129+	136,189
	364,511,420	346,857,761+	17,653,659
Tot'l assets	583,789,509	538,358,554+	45,430,955
Liabilities to Public			
Circulation	29,821,937	31,226,542—	1,404,605
Dem. dep.	123,537,342	109,575,138+	13,962,204
Savings	338,291,428	311,759,127+	26,532,301
Due banks	824,924	856,887—	31,963
Due else	11,159,913	14,055,924—	2,896,011
Bills payable	5,884,277	4,744,758+	1,139,519
Lets of cred.	31,298,067	23,226,065+	8,072,002
	540,817,888	495,444,441+	45,373,447
To Shareholders			
Capital	20,400,000	20,400,000	....
Reserve	20,400,000	20,400,000	....
Dividends	1,027,814	1,028,283—	469
Balance	1,143,807	1,085,830+	57,977
	$42,971,621	$42,914,113+$	57,508
Total liab.	583,789,509	538,358,544+	45,430,965

Petrolia's "Little Old Red Bank" is Closing at Last

LONDON.—An announcement is made that the banking house of Vaughn & Fairbank, at Petrolia, will retire from active banking business at the end of this year, after 55 years of continuous service. The original partners, Leonard B. Vaughn and John H. Fairbank, established the bank in the early days of the petroleum industry, after some previous experience at Oil Springs, and for several years it was the only banking institution in Petrolia. The building itself, long known as the "little old red bank," was brought from Oil Springs. The firm always did business with the Bank of Montreal, and is today the oldest private banking house on that institution's books. In 1873, after the Pennsylvania oil discoveries, resulting for a time in the cessation of petroleum export, the Petrolia business underwent severe strain, but, in the language of an article by the late Charles Jenkins, written on the fiftieth anniversary, "the Bank of Montreal stood behind it, and the character and resource of Mr. Fairbank kept that support going right along."

Branch Banks Likely to be Authorized in States

From Our Own Correspondent.

NEW YORK.—The probability that the McFadden Bill authorizing national banks to establish branches will be passed next week by congress makes a review of the branch bank situation in the United States just published by the Federal Reserve Bank doubly interesting.

In June of this year there were 2,095 branch banks, having almost quadrupled since 1915 and doubled since 1921. Most branches are operated in home cities of owning banks, being 1,465 in home cities against 770 in outside points. Most of them are owned by banks holding state charters, 248 by national banks. Half the branches operated by state banks are members of the Federal Reserve system. California possesses more branch banks than any other state.

TORONTO BANK MAINTAINED ITS PROFITS WELL

Current Loans and Deposits Increased During Year

Considering the conditions which have prevailed in trade and industry the fact that the Bank of Toronto shows profits of $968,204 for the year ending November, as compared with $984,669 in the previous year, and $878,762 in 1922, will no doubt be well regarded by the shareholders and that this is the case is indicated by the fact that the stock now selling around 195 opened the year about 175. Appropriations for dividends, taxes and premises showed no change, but there was an increase of $25,000 in the amount devoted to pensions, leaving $68,204 to be added to the balance compared with $109,699 and $23,762 for the two previous years, respectively. The bank's reserve strength is indicated by its surplus of $6,000,000 and balance of $1,239,116 compared with capital of $5,000,000. Following are comparative profit and loss figures:

Income Account, Year Ended November

	1924	1923	1922
Profits	$968,204	$984,669	$878,762
Pension	50,000	25,000	25,000
Taxes	100,000	100,000	80,000
Premises	150,000	150,000	150,000
	$300,000	$275,000	$255,000
	$668,204	$709,669	$623,762
Dividends	600,000	600,000	600,000
	$ 68,204	$109,669	$ 23,762
Bal. forward . .	1,170,911	1,061,241	1,037,479
Balance	$1,239,115	$1,170,910	$1,061,241

Increases of $2,000,000 in current loans and of nearly $3,000,000 in deposits are the principal changes in the bank's position during the year indicated by the balance sheet. Total assets are now $103,508,897. Following are comparative figures:

IMMEDIATELY AVAILABLE LIQUID ASSETS

	1924	1923	Change
Specie	$ 986,169	$ 1,000,124—$	13,955
Dom. Notes	6,825,319	7,500,828—	675,509
Note cir. dep.	255,033	278,464—	23,431
Notes, bk.	529,550	470,195+	59,355
Bank bal. ab'd.	1,417,440	913,575+	503,865
For. curr.	79,854	57,766+	22,088
Gov. secs.	15,359,890	15,627,516—	267,626
Cheques	6,689,221	7,037,538—	348,317
Gold res.	2,500,000	2,650,000—	150,000
	$34,642,476	$35,536,006—$	893,530
% total assets	33.63	35.53—	1.90
% total liab. to public	38.06	40.52—	2.46
Other Assets			
Pub. secs.	$5,816,200	$3,870,529+	$1,945,671
Other secs.	1,318,740	1,211,909+	106,831
Call loans	6,256,527	6,478,696—	222,169
Current	50,478,616	48,433,787+	2,044,829
Non-curr l'ns	253,295	249,799+	3,496
Lets. of cred.	1,295,123	775,759+	519,364
Premises	3,353,601	3,430,811—	77,210
Mortgages	94,319	94,170+	149
	$68,866,421	$64,545,460+	$4,320,961
Total	$103,508,897	$100,081,466+	$3,427,431
Liabilities to Public			
Circulation	$7,926,217	$7,377,853+$	548,364
Dem. dep.	15,831,370	18,049,718—	2,218,348
Savings	61,900,391	56,825,317+	5,075,074
Due banks	2,491,863	2,190,887+	300,976
Due else	1,531,796	2,539,796—	1,008,000
Lets. of cred.	1,295,123	775,758+	519,365
Other liab.	141,111	.......+	141,111
	$ 91,117,871	$87,759,329+	$3,358,542
To Shareholders			
Capital	$5,000,000	$5,000,000 $	......
Reserve	6,000,000	6,000,000	...
Dividends	151,910	151,226+	684
Balance	1,239,116	1,170,911+	68,205
	$12,391,026	$12,322,137+$	68,889
Tot'l. liab.	$103,508,897	$100,081,466+	$3,427,431

BANKERS' INSTITUTE

The Bankers' Institute, an organization for educational, social and recreation purposes similar to the institutes in most of the larger cities in Canada, has been formed at Fredericton. The officers are: Honorary president, G. A. Taylor; president, H. E. Dow; vice-president, Carleton F. Tilley; secretary-treasurer, M. M. Hall. Additional members of executive, J. M. Carleton and Russell L. Leck.

Weekly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES

	Dec. 27, 1923	Dec. 25, '24
Halifax	$2,297,496	$2,409,592
St. John	2,398,657	1,967,569
Moncton	742,634	815,698
Sherbrooke	690,484	698,010
Quebec	4,644,827	4,704,086
Ottawa	6,103,240	6,086,390
Montreal	81,800,559	110,553,968
Kingston	798,237	753,571
Peterboro	805,322	730,671
Toronto	84,527,126	88,043,079
Hamilton	5,167,368	4,336,087
Brantford	993,985	793,783
London	....	3,160,024
Windsor	2,638,948	2,484,267
Kitchener	882,420	828,481
Total East	$194,491,303	$228,365,367

WESTERN CITIES

	Dec. 27, 1923	Dec. 25 '24
Winnipeg	50,774,441	52,638,737
Brandon	593,691	596,155
Regina	3,291,869	3,312,295
Saskatoon	2,065,902	1,585,888
Moose Jaw	1,421,047	1,168,667
Prince Albert	387,271	298,324
Medicine Hat	422,239	271,931
N. Westminster	494,265	431,450
Vancouver	13,941,037	13,931,197
Victoria	1,950,070	1,520,444
Calgary	7,113,346	6,367,244
Total West	$83,085,176	$82,122,332

DAIRYING YIELDS CASH TO FINANCE WESTERN FARMERS

Latter No Longer Dependent Upon Credit Between Crop Seasons

In view of their close association with, and study of the problems of the farmer, some of the branch bank managers in Western Canada are in a position to make positive contributions on agricultural questions. In the following article J. A. G. Clokie, manager of the Imperial Bank at Laird, Sask., outlines the method by which farmers are financing themselves between crops

We read from many sources of the better position of the western farmer due to the large 1923 crop or the good prices received for the 1924 crop, yet in barely fifty per cent. of the cases, the farmer is hardly able to take care of interest charges and taxes, or in other words, only about fifty per cent. of the farmers are breaking even in their farming operations. It is doubtful whether ten per cent. are making any reduction in their actual indebtedness. On the face of this statement one would immediately raise the cry of pessimist, but on analyzing the situation still further it becomes apparent that the liabilities of the farmer are debts incurred in war days or immediate post-war days, frequently through unnecessary expensive land, machinery or store bills and debts. These were bought (but not paid for) at the inflated prices of those years always on the proverbial "good crop of next year." This state of affairs continued until 1921 and 1922 and even to a degree into 1923, when the creditors of the farmer realized that the "good crop of next year" was a fallacy and consequently more or less suddenly withdrew his accustomed credit and moreover started pressing for the past indebtedness. This was a rude shock to the farmer which crystallized in the many forms of co-operative endeavor, not only politically but economically, to better their position and, if possible, provide more credit. Not much logic was

(Continued on page 13)

BANKERS COULD HAVE SAVED INVESTORS

London People Bought Hearst Stock Without Making Inquiries

LONDON. — Several local investors are nursing losses in the Hearst Music Co., of Winnipeg. A salesman, not the ordinary high-pressure type, but had gone on past that stage, a few weeks ago actually sold stock in the company, secured names on the dotted lines and collected from men who in an ordinary deal would have taken trouble to get a report on the investment before they went in. Two local bank managers three months ago secured through their Winnipeg offices reports on the Hearst company. One of these managers, speaking to THE FINANCIAL POST to-day, said: "We had reason to believe that this stock would be offered for sale in London and other cities in Ontario, and in order to be in a position to give advice to our clients if they were asking for it, we secured confidential reports, and these showed us that it would be a very unwise thing to make any investment with the Hearst company.

"Now the point I cannot get over is this," continued the banker. "This information was available at two places I know definitely of, and could have been secured by asking any of the number of bankers in this city, but in not one case so far as I have heard was there an inquiry made at any of the banks regarding the standing of the Hearst company. We had information that would have saved some thousands of dollars on this one deal alone for some of the men around London, but they did not ask for it, and so we could do nothing for them."

Imperial Bank's New Issue on Fiftieth Anniversary

Marking its fiftieth anniversary, the Imperial Bank of Canada is placing in circulation a new issue of bank notes—fives, tens, twenties, fifties and hundreds—carrying portraits of Peleg Howland, president, and A. E. Phipps, general manager. It is particularly appropriate that Mr. Howland's portrait should appear on the new issue replacing that now in use of his father, H. S. Howland, who was the first president of the bank when it was founded fifty years ago. The new notes are artistic and pleasing in design and the engraving is specially designed to discourage counterfeiting.

The story of the gradual development of currency to the forms in common use to-day constitutes an interesting chapter in the country's history. In the earliest days when Canada was known as New France, in lieu of a better circulating medium, beaver and other furs, wheat and tobacco were accepted in trade. Following this custom the French government introduced a system of "ordonnances" and card money which quickly fell into disrepute through depreciation. After the British occupation in 1763 the British government introduced the dollar, importing large quantities of Spanish dollars for the purpose. In 1812 the first government bills were introduced, and about 1817 the first bank note made its appearance. The first Bank Act, passed in 1871, authorized banks to issue notes for $4 or more. Bills of $4, $6, $7, $8 and like amounts were then common. The regulation now in force restricts bank issues to notes of $5 or multiples thereof.

BANKER RETIRES

After 41 years of faithful service as a banker, Robert R. F. Harvey, of Kingston, at his own request, has been retired by the Bank of Montreal. He has not reached the usual age of retirement, but, on account of his long service, his request has been granted, and he will retire on Dec. 31.

In 1883 Mr. Harvey went as a junior into the Kingston branch of the Bank of British North America, and continued in that branch, except for a year in Winnipeg and a short time in Toronto, until the Ontario Street branch of the Bank of Montreal, formerly the Bank of British North America, was closed. Eight years ago he was made manager of the branch he entered as a junior, after acting as manager for two years.

SAYS DIRECTORS FED OFF THE BANK

Judge Finds J. F. M. Stewart Guilty of Negligence—Not Guilty on Other Counts

J. F. M. Stewart was found guilty by Judge Coatsworth on the third count in the charge sheet—that he did negligently sign, approve or concur in an account containing false or deceptive statements. On the first two counts, of wilfully making and unlawfully using a false or deceptive statement, Mr. Stewart was found not guilty.

In the course of a somewhat lengthy judgment his Honor passed some pointed remarks about the directors acting for their own benefit and the interests of their companies, and consequently tying up bank funds, instead of carrying on the bank's business in the interests of the shareholders, the depositors and the public. He spoke of an "extraordinary combination of companies, in all of which directors and the accused were largely interested, and which were, so to speak, feeding off the bank."

"It is hard to conceive," the judgment reads at one point, "with the facts readily available, and as we have had them now spread before us, as he was taking such a prominent part in the operations, that he did not at least negligently overlook what any ordinarily prudent business man should and would have seen and known—that the bank was drifting rapidly to destruction, and the statements were padded frauds."

As regards the "extraordinary combination of companies," his Honor went on to say that a few of them paid up, but most of them failed to pay, and involved the bank in enormous losses. "All of them had the funds of the bank for long periods, and for the time being unrealizable assets," the judgment continued. "The depositors' money was loaned to these and other companies, many of them unreliable concerns, instead of being used in legitimate banking business."

Staff Gossip

F. S. Tweedley, of the Union Bank staff, has been transferred to Carman and Mr. McKenzie is filling the vacancy here.—Plaindealer, Souris.

* * *

Bruce Ross, of the Canadian Bank of Commerce, Montague, has been transferred to the Summerside branch. — Guardian, Charlottetown.

* * *

W. A. Clark, of St. John, N.B., has been appointed manager of the Sarnia branch of the Bank of Nova Scotia, to succeed C. M. C. Brunton, who recently resigned.—Free Press, London.

* * *

A. Wilson, of the Canadian Bank of Commerce here, has been transferred to Edam, Sask. He has been succeeded here by B. W. Walker, of the St. Walburg branch.—The Journal, Humboldt.

* * *

H. L. Trapp, who has been appointed manager of the Bank of Montreal at Hespeler, has for the past four years been accountant at the King and Yonge Streets branch in Toronto, and previously served as accountant in the offices of the bank at Owen Sound, Hamilton and Windsor.—The Herald, Hespeler.

Exchange

Various factors have entered into the rapid recovery of sterling during the past three weeks, which brought the pound to a new high of $4.73⅝. The return to London of funds which had previously sought a safer political outlook than was promised under the Labor government was speeded up by the drop in interest rates in New York, and the combined effect was to bring sterling gradually nearer to par in the face of heavy annual grain importations. The growing feeling in Britain in favor of returning to the gold standard has been another factor in transferring capital to London to take advantage of the 3 per cent. appreciation to par in the event of gold payments being resumed.

European exchanges have not been materially affected by sterling's rise, but have remained relatively firm. United States funds in Canada continue at a slight premium.

NEW YORK FUNDS

			Last year	
	High	Low	High	Low
Dec. 24	5—16	1—4	2 9—16	2 9—16
Dec. 26	3—8	5—16	2 9—16	2 17—32
Dec. 27	3—8	11—32	2 17—32	2 7—16
Dec. 29	11—32	1—4	2 1—2	2 7—16
Dec. 30	1—4	7—32	2 17—32	2 1—2

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
Dec. 24	4.70⅛	5.39½	4.28½
Dec. 26	4.70¾	5.39	4.28½
Dec. 27	4.72⅝	5.40½	4.28¼
Dec. 29	4.73⅛	5.39½	4.23
Dec. 30	4.73	5.40½	4.22½

Benson and Hedges (Canada) report sales for the month of October amounting to $74,698 as compared with $110,892 for the corresponding month last year.

The Royal Bank of Canada

GENERAL STATEMENT

29th NOVEMBER, 1924

LIABILITIES

Capital Stock Paid up		$ 20,400,000.00
Reserve Fund	$ 20,400,000.00	
Balance of Profits carried forward	1,143,806.90	
	21,543,806.90	
Dividends Unclaimed	7,814.01	
Dividend No. 149 (at 12 per cent. per annum), payable 1st December, 1924	612,000 00	
Bonus of 2%, payable 1st December, 1924	408,000.00	
		22,571,620.91
		$ 42,971,620.91
Deposits not bearing interest	$123,537,341.85	
Deposits bearing interest, including interest accrued to date of statement	338,291,427.71	
Total Deposits	461,828,769.56	
Notes of the Bank in Circulation	29,821,936.74	
Balances due to other Banks in Canada	824,923.90	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	11,159,913.64	
Bills Payable	5,884,277.65	
		509,519,821.49
Letters of Credit Outstanding		31,298,066.69
		$583,789,509.09

ASSETS

Current Coin	$ 16,881,608.11	
Dominion Notes	34,730,446.00	
United States and other Foreign Currencies	27,349,189.70	
Deposit in the Central Gold Reserves	11,000,000.00	
	89,961,243.81	
Notes of other Canadian Banks	3,004,799.55	
Cheques on other Banks	25,656,809.28	
Balances due by other Banks in Canada	746.66	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	28,797,188.34	
Dominion and Provincial Government Securities, (not exceeding market value)	53,039,825.09	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian (not exceeding market value)	25,634,914.13	
Railway and other Bonds, Debentures and Stocks (not exceeding market value)	17,677,562.02	
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover	16,454,174.21	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover	17,797,476.79	
		$278,024,739.88
Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	148,499,355.15	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	106,747,583.45	
Non-Current Loans, estimated loss provided for	1,978,417.24	
		257,225,355.84
Bank Premises, at not more than cost, less amounts written off		13,350,717.05
Real Estate other than Bank Premises		1,668,230.00
Mortgages on Real Estate sold by the Bank		447,580.69
Liabilities of Customers under Letters of Credit, as per contra		31,298,066 69
Shares of and Loans to Controlled Companies		289,501.00
Deposit with the Minister for the purposes of the Circulation Fund		1,020,000.00
Other Assets not included in the foregoing		465,317.94
		$583,789,509 09

NOTE.—The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris. As the entire capital stock of The Royal Bank of Canada (France) is owned by The Royal Bank of Canada, the assets and liabilities of the former are included in the above General Statement.

H. S. HOLT,
President

C. E. NEILL,
General Manager

AUDITORS' CERTIFICATE

TO THE SHAREHOLDERS, THE ROYAL BANK OF CANADA:

We have examined the above statement of Liabilities and Assets at 29th November, 1924 with the books and accounts of The Royal Bank of Canada at Head Office and with the certified returns from the branches. We have verified the cash and securities at Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities of several of the important branches.

We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank. The above statement is in our opinion properly drawn up so as to disclose the true condition of the Bank as at 29th November, 1924, and it is as shown by the books of the Bank.

W. GARTH THOMSON, C.A.,
of Marwick, Mitchell and Co.
A. B. BRODIE, C.A.,
of Price, Waterhouse & Co.
} Auditors.

Montreal, Canada, 26th December, 1924.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th November, 1923.	$1,085,830.67	
Profits for the year, after deducting charges of management, accrued interest on deposits, full provision for all bad and doubtful debts and rebate of interest on unmatured bills	3,878,976.23	
		$4,964,806.90
APPROPRIATED AS FOLLOWS:		
Dividends Nos. 146, 147, 148 and 149 at 12% per annum	$2,448,000.00	
Bonus of 2 per cent. to Shareholders	408,000.00	
Transferred to Officers' Pension Fund	100,000.00	
Appropriation for Bank Premises	400,000.00	
Reserve for Dominion Government Taxes, including War Tax on Bank Note Circulation	465,000.00	
Balance of Profit and Loss carried forward	1,143,806.90	
		$4,964,806.90

H. S. HOLT,
President

C. E. NEILL,
General Manager

Montreal, 26th December, 1924.

THE FINANCIAL POST

Member Audit Bureau of Circulations

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Vice-President—HORACE T. HUNTER.
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Editor—J. W. TYSON

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

TORONTO, JANUARY 2, 1925

WHERE INDUSTRY SUFFERS

THE outstanding problem of Canadian industry to-day is taxation. And yet when Ontario manufacturers, represented before the Statute Revision Commission by the officials of the C. M. A., had an opportunity to tell why, in the interests of agriculture, labor and business, the unfair taxation burdens which are handicapping a great wealth-producing section of the community should be reduced, there was no one to speak but the association's solicitor. "Is there anyone else to speak for the manufacturers?" asked the chairman. "I don't need any backers," replied the lawyer.

Here was a government commission inquiring into taxation with power to make specific or general recommendations; the C. M. A. presented a written brief making a good case but when the opportunity was presented to impress upon the commissioners the necessity to remove the unjustified levy made in 1920—in defiance of the understanding between the manufacturers and the government reached twenty years ago—there was no one to support it. Not only were the commissioners permitted to assume that the claim for reduction was merely a legal one and not necessarily backed by the manufacturing interests generally, but an opportunity was lost to gain the ear of the public and show that the handicaps of the manufacturers are resulting in unemployment and are hampering the development of the home market for both agricultural and manufactured products.

The incident is typical of the manner in which the affairs of the country's manufacturers are being mishandled by the accosiation which at present represents them before the public. Could any better justification be asked for the attitude which THE FINANCIAL POST has taken in showing how the policies of the little busybodies who have assumed to direct the association's activities for their own benefit and aggrandizement are damaging industry in Canada? And in advocating the appontment of a general manager to represent the manufacturers in the big issues and leave the service departments to the present capable departmental organization?

WHEN LOW IMPORTS ARE NOT A GOOD SIGN

THERE seems to be a general willingness to accept that our curtailed imports are a good sign, as indicating reduced purchases of foreign merchandise. But it is well to consider that curtailed imports of raw materials have the same effect on the trade figures. The St. Catharines Standard expresses the view that recent reduction of imports is almost entirely due to industrial inactivity rather than to smaller imports of foreign manufactured goods:

> When Parliament meets next February, undoubtedly the big issue which will be discussed will be that of taxation and the showing of the Dominion in the last year or two in the matter of revenues and expenditures. There has been a big decrease in revenue this year, while ordinary expenditures, if reduced at all, have been offset by an increase in capital outlay. How much the decrease in revenue is due to decreased taxation will be a point for debate. Duties were lowered a year ago on many imports, but some of the decrease in revenue must be accounted for by the industrial inactivity, and falling off in imports of raw materials for manufacture. In this city the low collections at the customs department are attributed entirely to the latter cause, and it must be so in practically every other city in Ontario.

With smaller imports and smaller returns in the way of customs taxes the government will undoubtedly be considering ways and means of increasing revenues rather than cutting expenses. The great danger is that manufacturing industries, which, because of heavy taxation and general trade uncertainty, are not importing a healthy volume of raw materials, will be still further taxed in order to make up the deficit in national revenue. This will merely aggravate the situation and not only discourage industry but lead to still smaller imports of materials and still smaller customs revenue. The answer lies in the other direction; reducing the tax burdens on business so that industry can revive on a healthy scale and in cutting national expenditures so that the country can get along on a smaller tax income.

BETTER BUSINESS ETHICS

TO A very large degree, recent advances in business ethics, business methods and business efficiency are due to the development of co-operation, to the growth of the spirit which leads business men to work for themselves by working for the other fellow and for the advancement of business in general.

This spirit is manifested in the thousands of business organizations which reach into all lines of business and into all sections of the country, in trade associations, in research associations, in local general organizations, which are half business and half civic, and in numerous other organizations which concern themselves with special fields. Many astute and able business men devote much time to the activities of these organizations, giving them the benefit of wise counsel and dearly bought knowledge.

The able business men who devote time to business organizations are actuated by two, perhaps three, motives. In the first place they know that "honesty is the best policy" and that it is to the interest of their own businesses to not only practise honesty but also to encourage the practice of honesty among other business men. Not only do able business men recognize the value of honesty in others, they also recognize the value of efficiency in others, even in competitors. Through business organizations, leading business men have been able to spread both of these gospels with great effect. The growth of the demand for better business, which has resulted in the adoption of ethical codes in many trades, has been nationwide; nearly every trade of importance now has a code of business ethics comparable to the codes that have long been followed by the professions.

The forward-looking business man has therefore taken up the task of educating the backward business man in his trade, and, partly in self-interest, and partly, perhaps, out of a desire to improve the service of his trade to the public, he is constantly working for better and more organization in business. As a result, business men are making closer and more sympathetic contacts than they ever made before, they are beginning to know one another personally instead of through report, and many of them are finding that others are not as black as they once were painted. The co-operative spirit that is being developed extends beyond the narrow field of particular trades, and is broadening the outlook and the interests of business men to an extent that is hardly appreciated.

EDITORIAL NOTES

WHEN people are so easily victimized on fake investment propositions and advice which would protect them is so readily available, one is inclined to wonder how they ever got the money from which they are parted so readily.

• • •

ANSWERING the question as to whether prices in the present bull market in New York will be carried too high, we are reminded of the visitor to Vancouver who asked an old-timer whether he thought it would stop raining; "It always has," was his reply.

• • •

THE Edmonton Journal strikes a note which will find accord in Eastern as well as Western Canada when it says that "if Canada is to become a great and prosperous nation, means must be found for retaining within her borders a much larger proportion than heretofore of her own natural increase and of those who come to her shores intending to settle here."

• • •

AT a banquet to Scotchmen in Dublin, Sir John Irwin, a prominent Irishmen, made this statement:

> "Public expenditure was large, and it was the duty of the Free State Government to take steps immediately to reduce it. The country was unable to bear an expenditure of £37,000,000, as compared with £15,500,000, the biggest point reached during British rule. Their adverse trade balance was a very serious matter. In the nine months the balance in favor of imports as compared with exports amounted to £14,000,000. Those were facts that they must face."

Which indicates that in Ireland as elsewhere, the business side of government suffers when the political side is made paramount.

• • •

WRITING in the London Economist "A Recent Visitor" to Canada, dealing with the problems of this country, declares that "the greatest problem of all is, perhaps, the case of the Maritime provinces; these provinces have always been skeptical of the advantages of confederation and complain bitterly that their interests are being sacrificed to those of predominant partners." On the other hand, I. C. Stewart, editor of the Maritime Merchant, and a keen observer of conditions, after a recent visit to Quebec and Ontario, declared that conditions were just as good, if not better, in the East as in other parts of Canada.

Canada Has Been Magnet, Drawing U. S. Dollars

Before the war, Great Britain, the "Mother land," was the nation to which Canada looked for the money to build railways, public utilities, schools, public buildings, etc. Great Britain was then the world's banker, and London the financial centre of the world. But since the outbreak of war, other influences have been at work, the growth of American wealth, and the decline in sterling exchange—to mention only two—and so American millions—yes, millions, have outstripped Great Britain's pounds and pence in Canadian investment.

It is natural that the biggest American investment in Canada should be in industry. In all classes of industry this investment totals about $1,200,000,000, a staggering sum, equal to about 31 per cent. of the total amount invested in industry in Canada.

There are some Canadian industries that are almost completely controlled by American capital. The big copper mining and smelting companies in Western Canada—Granby Consolidated, for instance—and the various subsidiaries of the Guggenheim interests—are largely owned in the States. The chemical and drug industries are almost entirely American. The rubber boot and shoe industry has a strong American interest and the largest operator in that field in Canada, the Canadian Consolidated Rubber Company, is in reality a subsidiary of the United States Rubber Company, although originally it was a consolidation of Canadian-built and Canadian-owned plants.

Automobile manufacturing is the most interesting industry controlled in Canada by American capital. Eighty per cent. of the issued securities of Canadian companies manufacturing motor cars are held in the United States, the control of most of the companies being vested in the larger American automobile corporations, such as General Motors, Studebaker, Ford (this lately) and Willys-Overland. Naturally, automobile accessories are the same class, and there are other industries that are more largely American than Canadian-owned.

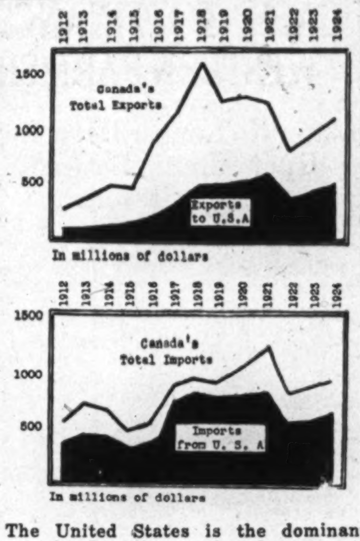
The United States has found it very much worth while to sink millions into motor-car manufacturing plants in Canada. Not to serve the Canadian market, for there are only half-a-million motor cars in Canada, and the yearly absorption of new automobiles in the country could not begin to take care of the products of such a large factory as the one that General Motors Corporation has built at the Canadian town of Oshawa, Ontario.

American automobile manufacturers turn out cars in Canada for many countries. Tariff considerations have made it wise to concentrate export manufacturing in Canada. The automobile industry is only typical in this regard. Other industries have been built up in Canada because of the preferential tariff.

Some of the biggest newsprint mills in Canada are controlled in the United States. One Chicago investment house practically controls two of the largest companies in Canada manufacturing newsprint paper. A Minnesota capitalist is building in Canada one of the world's largest newsprint mills. Aided with money—millions of dollars—supplied by New York bankers, another company is building a mill in Northern Quebec that will run the Minnesota man's mill at Kenora, Ontario, a close race for first place among the large mills of the world.

A Chicago newspaper owns outright its own paper mill in Canada. It owns in the distant Gaspe Peninsula, on the Lower St. Lawrence River, vast acreages of timber lands where it cuts the raw pulpwood. This it carries to Thorold, Ontario, in its own fleet of boats, and at Thorold, which is near Niagara Falls, it turns the wood into the finished paper. The mill now produces 300 tons a day. One ton of newsprint paper will print 128,000 pages of an ordinary newspaper, or 4,000 copies of a 32-page paper. But as this paper prints massive Sunday editions that in themselves use about 400 to 500 tons of paper a Sunday, the mill is not large enough to supply the demands of this single newspaper, and, occasionally, newsprint is bought outside. One New York paper has assured itself of a steady supply of paper by buying all the bonds of a Canadian mill. The stock itself is held in a small city of New York State. The International Paper Company, the biggest operator in this field in the world, has its most efficient mill located in Canada, and it is in this mill that the chief hopes of the company, from a newsprint standpoint, are centred. Lately the International has interested itself in a Canadian mill to turn out kraft paper, and it now seems likely that the Riordon Companies, pioneers in Canada in the pulp industry, will become the property of International Paper.

The field of water power development has also been actively supported by money supplied by United States bankers and investors. Just now John B. Duke, the tobacco king of the United States, joined forces with a Canadian group to exploit a tremendous water power site near Lake St. John in the far north of Quebec, that will eventually produce many hundreds of thousands of horsepower of electrical energy. The initial development, which is now being rushed to completion, will produce 360,000 h.p. and will cost $18,000,000, much of which capital was supplied through New York investment houses. There is nearly 3,000,000 horsepower of energy being developed from the water powers of Canada at the present time, or about 325 h.p. per capita. This puts Canada in the front rank among the nations of the world in developed horsepower. The water power so developed represents an investment of $609,000,000, a fair proportion of it American capital.



The United States is the dominant factor in Canadian trade. Our exports to that country are a sizeable share of our total exports and our imports from the United States are the largest proportion of our total imports from all countries.

There are more than 1,000 branch factories of American manufacturing concerns in Canada. The visitor to Canada walking through the industrial sections of the busy cities sees such familiar names as International Harvester, Gillette Safety Razor Company, B. E. Waterman and Company, Canadian Fairbanks-Morse Company, Canadian Allis-Chalmers Company, E. C. Atkins and Company, Henry Disston and Company, National Cash Register Company of Canada, and so many other familiar titles that only the prefix "Canadian" or the affix "of Canada," serves to give him his proper orientation.

Again, in mining, it has been the dollars of the United States that have done a great deal to open up the untold wealth of British Columbia and Northern Ontario. Take a ride on a rubber-neck bus in Buffalo. The guide will point out to the crowd (if he can find as much as one Canadian tourist on board) the residences of the twelve Buffalo millionaires who made their money in the mining camps of Cobalt and Porcupine in the early days. Twelve of them—and in one moderate-sized American city!

Americans have plunged well over a quarter of a billion dollars in Canadian mines. Official government figures indicate a larger investment than that. On the whole they have had a good return for their money, for millions have already been paid in dividends from Canadian mines and yet the development of the mineral areas is hardly under way. It would be hard to find a completely demineralized mine in Canada. Any abandoned mines in this country are lying idle not from exhaustion of their mineral resources, but from the lack of capital to develop them. The crying need of Canadian mines is capital. But mining development is a speculative proposition, and only now are the really strong business interests of Canada, the United States and Great Britain, taking up the development of Canadian mines in a serious and business-like manner.

Let us consider only one more phase of the subject: American investments in Canadian insurance. The biggest life insurance company in Canada—figuring its Canadian business only, is the Metropolitan Life, a New York company. Some of the other large ones are the Prudential and the New York Life. In fire and casualty insurance, the Hartford, the Aetna, the Home, and a dozen other big American companies, are among the leading companies. Fire insurance in Canada, as indeed the world over, has been largely controlled by British companies in the past. Nevertheless it is significant that two of the oldest Canadian fire insurance companies have recently been bought out by American interests.

Why have these American millions gone to Canada to displace British millions in a British Dominion? Why has the United States through its bankers and investors plunged an inconceivable wealth into this young and growing country?

For political purposes? It is doubtful if any official or public representative connected with the United States government has ever given any active encouragement to American investment in Canada. The investments have been made by individuals, and by private corporations who have put their dollars to work in Canada. The investments have been made for business reasons because a country of such vast undeveloped natural resources as Canada, offers the biggest possible opportunity for good and profitable use of capital that might otherwise be idle. A Canadian bond may yield the American investor 6 per cent. where he would get 4¼ per cent. at home; a Canadian mine may have greater possibilities than an American mine; the Canadian forests are broader and more virgin than the remaining forests in the United States; the Canadian market offers a 10 per cent. addition to the Canadian American market of the manufacturer in his own country.

The question Canadians are asking themselves to-day is this: Is this economic conquest of Canada going to lead to political conquest, or is it good for both the United States and for Canada to have so much American capital flowing northwards It brings the two peoples into intimate social and business communication. This, according to an American editor, is one of the bulwarks of solid friendship when regulated by fair and intelligent dealing.

Between Canada and the United States there is common blood; common language; common culture and common governmental ideals. American magazines circulate freely in Canada, and American vaudeville teams do not bother to think up new jokes for Canadian audiences. Co-ordination of thought in these smaller matters that affect the man on the street has gone ahead as rapidly as in the higher realms of political and social advancement. On the other hand is it true co-ordination of thought or a dominance of American thought?

It is a new common interest that has been added; the common interest of capital. Eventually American capital must have attained the ascendancy in Canada, for geographically, ethically, and economically, there could have been no resisting the movement of American wealth northwards to find new fields for productive use. The war, of course, which shut off the supply of British capital and greatly increased American wealth, brought the movement to a head much sooner than it could possibly have developed in the ordinary course of events.

One wonders if there is not a feeling of regret in Great Britain at the turn on the economic tide of Canada. Yet there is no reason why Englishmen should regret the situation. Canada, politically, is firmly attached to the British Empire no matter where her economic affiliations are the strongest. American capital is making Canada a stronger and richer nation; if that makes her a stronger asset of the British Commonwealth of Nations then the other British nations have no cause to regret the advent of American capital. And when the problem of exchange has been settled, Britain will have equal opportunity with the United States to invest in Canada.

Nanton Watched Winnipeg Grow From Muddy Village to Big City

Leaving the West to Live in the East, He Recalls Struggles and Joys in the Work of the West's Great Builders—Succeeds His First Chief

By FLOYD S. CHALMERS.

Forty-two years ago, one, Augustus Nanton, at the age of 24, packed his carpet bag in Toronto and moved out to Winnipeg. He stayed to become the leading business man of that city, working the while to help make the muddy prairie village grow into Canada's third city. Now he is moving back to the city of his birth.

He arrived in Winnipeg on a rainy day, and a rainy day in Winnipeg in 1883 was a muddy day. There was no one to welcome him. When he left Winnipeg, the other day, four hundred leading citizens tendered him a farewell banquet. The usual speeches and presentations were made. But there was one paragraph in the illuminated address that is worth repeating. It is the compressed history of a business life. Said the chairman to Sir Augustus:

> "You have been active in the sale, settlement, irrigation and improvement of our lands, in the laying out and selling of our townships, in the marketing and milling of our grain, in the development of our livestock industry, in the opening of our mines, in the utilization of our forests, in the construction and operation of our steam and electric railways and electric plants, in the manufacture and sale of building material, machinery and implements, in the establishment and work of our banks, trust, loan, insurance and other financial corporations."

Succeeds His Early Boss

Now he is going to live in Toronto and be the president of the Dominion Bank, succeeding the great Canadian citizen who was his early guide and inspiration, who was his first tutor in the world of finance. When Nanton left school he clerked in a real estate office in Toronto for a couple of years and then went to work for Osler and Hammond, in the days when that young firm was beginning to make a reputation for itself in creating mining, industrial and public utility enterprises, and was bringing large blocks of capital to Canada. Nanton advanced rapidly, was soon a partner, and, in 1883, when he was twenty-four, was sent West to open a branch for the firm. The branch became, it may be noted, one of the most vital forces in Western Canada in the opening up of that country.

Sir Augustus described, at the farewell banquet the other night, the Winnipeg of 1883. He said:

> "Winnipeg was only a very small place, some 15,000 persons, when I arrived here in the spring of 1883. I shall never forget the mud and the difficulty newcomers had in keeping their feet on the slippery sidewalks. I put up at the old Grand Union Hotel, on Princess Street, kept by Robert Garry and there I saw the first man I knew in Manitoba, namely G. W. Allan, who, before we parted, agreed to be our solicitor and who has acted with his firm ever since in that capacity."

That was a fortuitous meeting. Mr. Allan has just been elected president of Winnipeg Electric in succession to Nanton.

Studied the Country

Nanton did a typical thing when he first arrived in the West. He decided to know the West thoroughly, and spent a whole summer traveling. As he put it:

> "I had no fixed plan when I came here except that I was to spend the summer months of 1883 in traveling over prairies so that in future I would have some knowledge of the character of the different districts.
>
> "The only railways in those days were the Manitoba and Northwestern, a short line from Portage La Prairie to Minnedosa and the Canadian Pacific—the Canadian Pacific was about completed to Port Arthur but not connected through to Montreal. It had not reached the mountains in the West but had a branch line to Emerson and one to Manitou, so that I had to do most of my inspecting by driving. I succeeded fairly well and in addition to seeing most of Manitoba and the eastern part of Saskatchewan, I reached Prince Albert, Edmonton, Calgary and Macleod, and in the autumn came to the conclusion that I could not imagine a country that had better prospects than the Prairie Provinces, and I never changed that view."

He Was Optimistic

It was the optimist's view of things. Most of the other folks in the West were feeling somewhat depressed. Everyone was heavily in debt, following the boom of 1882. Perhaps it was well for Nanton that he entered the West at such a time. He was able to get a perspective that was not marred by over-bubbling enthusiasm; his youthful energy subdued any personal reaction of the almost universal despair; he had to work hard for anything he wanted to get. There was no "easy come, easy go," characteristic developed in him. By the time the next boom came, in the early 'nineties, he had such a solid background of wisdom, based upon experience, that he was able to keep his head and to take advantage of opportunities without building skyscrapers on paper foundations.

He established broad connections with British investors and invested many millions of British capital in the West as soundly and safely as good judgment could invest it. The opening up of new communities, the irrigation of farm lands, the creation of traction and power enterprises, the planting to seed of wheat lands, and the milling of the wheat into flour, the exploring of mines, the establishment of insurance, loan, trust and other financial institutions; these are but the broad outlines of his work. Winnipeg grew to be a city of a quarter of a million people; the West became the granary of the world in his time.

He has had an interesting two-score years. He has watched the West grow and has helped it grow. He said the other night:

> "Gentlemen, I have seen this country grow, the present Vancouver a field of stumps, the present Calgary, west of the Elbow without a single building, except a log shack used as a trading post; Saskatoon not even surveyed; Brandon just moving from the east to the west side of the Assiniboine, and Winnipeg little more than a large town, without a yard of street pavement, no electricity, gas being supplied largely through wooden pipes, water delivered from door to door. Boats plied up and down our rivers, some going up the Assiniboine some 600 miles to Ellice. Troops were brought from Battleford to Selkirk by steamer, namely, down the Saskatchewan to Grand Rapids and then down Lake Winnipeg. I have since seen it grow into a metropolis. My feeling is that it will continue to grow and be the Chicago of the Canadian West."

It is easy to prophesy that now about Winnipeg. There may not have been many who would have prophesied that in 1883, but Nanton was one. As someone said: "It took a big man to stay in the Winnipeg of the last century, and a brilliant man to make good." But Nanton was one of the hardy, far-seeing group of Westerners—for they were all Westerners, no matter where born—who were both big enough to remain and brilliant enough to make good.

The West is sorry to lose him, but glad to have had him so long. As a matter of fact, as president of a national bank, he is just as much the West's as the East's.

CAPITAL AND TAXATION

Kingston Standard: It can be readily seen that if the bankers and loan companies in Canada are complaining of high taxation that financial interests abroad will take notice of it and that would mean the dwindling, may be the stoppage, of foreign capital to Canada which is absolutely necessary to its progress.

What steps should be taken to remedy matters should demand the most serious attention both of the Dominion and the Provincial Governments, and one way which the people would like to see taken is a very great reduction in the cost of the government of the country. When the bankers are getting anxious about the effect of taxation upon the country it is more than time that remedies were applied.

Canadian Pacific Railway

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Investors' Inquiries

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

A. & G. W. RY. BONDS

W. M. T., Ontario.—Will Alberta be obliged to pay principal and interest on A. & G. W. Bonds, due 1959 in London at par or exchange?

These bonds are payable in Canadian funds, but not as par of exchange. We are informed that there has been a legal decision making this ruling handed down.

LEBEL CRYSTAL

Reader, Sudbury.—What is your opinion of the following at the present market: American Wool, Beth. Steel? What is the position of Lebel Crystal Mines?

Lebel Crystal Gold Mines is a prospect in Kirkland Lake camp on which but little progress has been made. The other stocks you ask about are those of United States companies, and we do not make it a practice to try and cover these.

COSMO IMPERIAL MILLS

T. G. C., Western Ontario.—I have been offered bonds of Cosmos Imperial Mills Do you consider them a good investment?

The offering of Cosmos Imperial Mills was well sanctioned when placed on the market. Assets of the company are given as $3,214,000, or $3,214 for every $1,000 in bonds issued. Earnings for the past eight years have been 4.85 times the amount of the annual bond interest. The bonds are well regarded.

LA ROSE MINES

R. B., Baltimore.—I am seeking information re La Rose Consolidated Mines. I would appreciate any news you will give.

You failed to indicate what kind of information you desired about La Rose, or if you had been familiar with it in the past. The company has operated in Cobalt for a number of years, and is now rapidly declining. It has some property that still holds good chances for the location of silver, but the prospect is not the most encouraging. Besides, the company has been mixed up in litigation of a most costly nature, and the end is seemingly not yet.

CONSOLIDATED AMERICAN OILS

Reader, Vancouver.—I will be glad if you will give me information re Consolidated American Oils, Windsor and Toronto. Would you advise the acceptance of their offer of extra shares at 50 cents?

Consolidated American Oils is a concern organized in Windsor to exchange shares in various oil enterprises into one huge holding company. THE FINANCIAL POST has not favored the exchange of shares even of shares of companies that have a doubtful future, because of their weakened position. The reason for this was that the exchange fee seemed to be one of the main reasons for the operation. When they operated in Toronto, THE POST exposed the tactics of some of the salesmen employed. They were nothing more than reloaders. It is evident that the offer now made to you is a reloading one. We think there are better speculations available.

HOLLINGER-LAKE SHORE

T. E. L., Western Canada.—Kindly favor me with an expression of opinion as to the speculative chances of Hollinger and Lake Shore. I have been advised to purchase 50 shares of each.

The chances of both Hollinger and Lake Shore are excellent. Hollinger stock is now selling above $15, a new high mark for the shares. The company is handling around 5,000 tons of ore daily, and has been earning about $1,000,000 monthly. Shortly production will be increased to 8,000 tons daily. At the annual meeting, which will be held late in February or March, consideration of an increase in dividend is likely. At present the payments are 13 per cent. yearly on a par value of $5. Reports are that this will be jumped to 30 per cent., or $1.50 a share. Undoubtedly the recent rise in the market is due to these reports. Ore reserves show a big increase, and are above the market value which the market places on the mine of $75,000,000.

Lake Shore at the end of 1924 went on a 20 per cent. dividend basis. Pres. Harry Oakes states that they will likely pay 30 per cent. next year, and after that place the stock on a 50 per cent. basis. The mine is in a wonderful position and could maintain a production on such a basis for some years.

CHICOUTIMI PULP

Subscriber, New Glasgow.—Would like your opinion of Saguenay Pulp. Do you think the preferred stock will be wiped out during the reorganization of that mixed up combination?

While the terms of the new organization of the Saguenay and Chicoutimi companies have not yet been announced, the prospects are that common and preferred shareholders of Saguenay will get nothing.

BRAZILIAN TRACTION

Reader, New Glasgow.—I would like your opinion on prospects of an advance in the near future of Brazilian Traction stock.

Brazilian Traction is, in the opinion of those who have been watching it closely, in for a period of greater prosperity, and it is quite likely that the stock will reflect this, but it should be remembered that this stock on its record is decidedly a speculation.

MATAPEDIA VALLEY POWER-SEAMAN KENT

Reader, Ottawa.—What is your opinion of Matapedia Valley and Seaman Kent bonds?

These two issues came onto the market well vouched for and were given a good reception. The former are guaranteed by Lower St. Lawrence Power Co. It will supply power to Campbellton, N. B., which centre will pay a minimum of $40.000 yearly during the life of the bonds. The Seaman Kent is one of the oldest institutions of its kind in the Dominion. It was recently taken over by the O'Brien interests of Ottawa. Assets are shown as $3,100 for each $1,000 in bonds issued.

EXCHANGE MINE SHARES

W. H. M., Ontario.—Would you advise exchanging Dome for Hollinger or McIntyre, also Keeley for McIntyre?

The most conservative opinion is that Dome has fairly good speculative chances and is well worth the price that it is selling at now. For this reason an exchange into Hollinger, now selling at a new high, or McIntyre, is not regarded as advantageous at the moment. In regard to Keeley and McIntyre exchange, this is more favorably regarded. It is believed that the range of Keeley prices at the present time is within about 20 points of a possible high. The yield at present, including the bonus, 24 per cent. on a par of $1, is 11.50 per cent. McIntyre's yield is 20 per cent. on a par value of $5, or 6.45 per cent. McIntyre is regarded as having great speculative chances and good for a great many years, with the best of its life ahead. Keeley is regarded as being close to the pinnacle.

CUBAN SUGAR AND FAMOUS PLAYERS

Subscriber, Nova Scotia.—I hold some preferred stock of the Cuban Canadian Sugar Co., which appears so slow coming back that I have an idea of selling out and putting the proceeds into Famous Players 8 per cent. pref. having in view, in addition to the high yield, an advance in the market price of the stock in the near future.

It will likely be a rather long wait for Cuban Canadian Sugar shareholders. The company has still a deficit of over $700,000 in its balance sheet account which could be wiped off in about two years at the rate of earnings shown by the last annual statement. There would then be arrears on the preferred dividends to be caught up. At the present levels we would not care to recommend any shareholder to sell. If he is in a position to wait two or three years more he is likely to get some return on his investment. In any event, it might be well to wait another month or two before selling, as the past record of this stock seems to indicate that there is more stock market activity in the early months of the year when information is usually available concerning the possibilities of the sugar crops of Cuba.

If, however, you are not ready to wait so long for your returns, the exchange into another security might be the best step. Famous Players at the present market shows a high yield but interests close to the company seem to feel that the dividend is well assured. While Famous Players is less speculative than Cuban Canadian Sugar, it would seem reasonable that in selling one speculative stock to take your loss it would be wise to buy a security with a larger share of the element of a really strong investment than either of these.

ASBESTOS CORPORATION

Subscriber, New Glasgow.—I note from THE POST of Dec. 12, that some progress is being made towards bringing the Asbestos companies together. As a holder of some preferred shares of Asbestos Corporation bought at about 90, I would like to have your opinion as to the probable standing of these securities in the event of a deal being put through. If I thought these shares would go into the combination on a near par basis I would like to acquire some additional at about present prices. Provided there is no consolidation, is Asbestos Corporation able, or better able, to stand the present competition than any of the other asbestos companies, and is their manufacturing process as up-to-date as some of the more recently established concerns?

In the event of any merger of asbestos companies, the preferred shares of Asbestos Corporation would likely be a very important factor in the deal, and would likely be taken in not only well above the present market price, but above the price at which you purchased your shares. This is because they have a participating feature that would have to be allowed for. But you must not take it for granted that the merger is assured. Negotiations have reached an interesting stage on several occasions in the past when things have occurred to delay the confirmation of the transaction.

Asbestos Corporation is better able to stand the present competition than any of the other asbestos companies that are independently owned, and the shares should be a sound speculation whether the purchase is based on merger possibilities or not. Its manufacturing and milling processes may be regarded as up-to-date in view of the fact that the largest and most modern mill in the asbestos district is that of the Asbestos Corporation. There has been considerable discussion of a new wet treatment of asbestos extraction that some of the other mills say they will take up. We are not in a position to give an expert opinion on this process, but have reason to believe that it was offered to Asbestos Corporation and turned down by them after some experimenting. Other people engaged in the asbestos industry are more optimistic as to the results that will accrue from the adoption of this process.

Current Opinion

IS THE WEST ABUSED?

London Free Press: The farmers in the Western states are bitterly complaining that they are being discriminated against as compared with their agricultural competitors across the line. Western American papers are insistently demanding that the freight rates on wheat should be revised downward so as to be on an equality with the Canadian charges.

The Omaha Bee, which has been investigating the subject, recently published figures to show that the rates from Canadian points in Western Canada are much lower to the seaboard than from places on the American, similarly distant from the Atlantic shipping points.

SEEKING PROTECTION

Victoria Colonist.—Nova Scotia is beginning to realize better that ever before that protection for its industries is necessary. A deputation, headed by the Liberal Premier of Nova Scotia, has recently waited on Federal Ministers asking for higher duties on coal and steel products. Of course the present Government will not give such protection, because it would not be favored by the Progressives in Parliament. Premier Armstrong, of Nova Scotia, pointed out as one instance of protection that the duty on slack coal is now exactly what it had been in 1897, but the value of the coal had risen from 25 cents to $3.63 per ton. Nova Scotia, he said, wanted fair play for her slack in the markets of Quebec, but these markets were being invaded by the United States product in ever-increasing quantity. It appears that in the last twelve months 1,403,000 tons of slack were imported into Canada from the United States and in the year before, the importation was more than 2,000,000 tons.

ONE MORE INDUSTRY LOST TO ENGLAND

Toronto Telegram.—France bought millions of dollars' worth of biscuits manufactured in Reading, England, when 25 francs in French money would buy biscuits worth one pound sterling in English money.

France ceased to buy biscuits manufactured in Reading when France had to pay 75 or 80 francs in French money for one pound sterling's worth of English biscuits in terms of English money.

French orders ceased to go to the English factories at Reading. The owners of the English factory had to establish great works in France.

The labor of producing biscuits for the French market will be transferred from English workers to French workers.

France will get a new factory.

English capital will abandon the attempt to buy labor with the English pound sterling and sell the products of that labor for French francs.

French labor will get employment. English capital will buy its labor for 20 cents on the dollar in terms of English money. The English capitalists who transferred their factory to France will sell their output for as many francs as the biscuits will bring.

WELCOME THEM BACK

Manitoba Free Press.—The exodus of Canadians to the United States is a serious matter and probably will continue so for a good many years—periodically, at least. It is important that those who go away should know that the latch string will always be out for them and that they will be gladly welcomed if they return. It is particularly undesirable that Canadian ex-service men returning from the United States should be kept in the position of foreigners for five years before securing citizenship again. The Naturalization Act should be so amended at the coming session of Parliament as to bring the former provision again into operation.

AN EXAMPLE FOR OTTAWA

London Free Press.—An urgent appeal for economy with a view to reduction of taxes next year, is the outstanding feature of President Coolidge's message to the sixty-eighth Congress of the United States. Following the budget message, he sets forth reasons why Congress should appropriate the people's money sparingly. "Nothing," the president declares, "is more likely to produce that public confidence which is the mainstay of prosperity, encourage and enlarge business with ample opportunity for employment at good wages, provide a larger market for agricultural products and put our country in a stronger position to be able to meet world competition in trade than a continuing policy of economy."

FARMERS AND INCOME TAX

Winnipeg Tribune: The people of Manitoba will pay this year in provincial income taxes nearly half a million dollars. Part of this large sum, but a relatively small part of it, comes from individuals and business concerns that can well afford to pay it, and will not feel it. The heavy end of the burden will be borne by people with modest salaries, farmers and wage earners. That is the way the Dominion income tax works out, and the provincial income tax will work out in precisely the same way.

With other enormous revenues coming into the provincial treasury— revenues undreamed of when the provincial income tax was conceived—the government is, or should be, in a position to dispense with an instrument of taxation that will become increasingly operative among those who are least able to withstand it.

WATCH YOUR MONEY

Regina Leader: The promoters of get-rich-quick schemes do not waste much time on the farmers during the lean years. They know they can't get blood out of a stone or money out of a man who hasn't any. They reserve their energies for the fat years when the pickings are good. The year now drawing to a close has been for the farmers in the western states and in sections of the western provinces, what might be called "fat." At least many of the farmers will have money to spend when they have received payment for their crops. The "wildcatters" are sure to be after this money.

What next year's crop will be or what price will be obtained for it no one can foresee. Anyone who has money left over, after he has paid his debts, will be wise to bank it or put it into securities which he knows to be sound. Government bonds do not pay twelve per cent. per annum; but they earn for the investor a reasonable interest, which he receives as regularly as due date comes around.

STARTING STUDENTS RIGHT

Owen Sound Sun-Times:—Few honest-to-goodness Canadians of mature age may fall for these radical spellbinders' line of bunk, but we have a large population of foreign immigrants who might. And we don't want bad ideas put in young minds. Give our students a few years' practical experience in the business world and we can safely rely upon their judgment to do the right thing. But do not let them get started wrong.

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Letters to the Editor

League of Nations Society
Ottawa, Dec. 23, 1924.

Editor, THE FINANCIAL POST,
Toronto.

Sir: With regard to your editorial of December 19th in which you state that the tours in Canada of speakers on behalf of the League of Nations were arranged and their expenses paid by interests who through the war were closely allied with enemy countries, may I ask you to be good enough to give equal prominence in your columns to the following facts:

Three speakers have at the invitation of this Society, addressed meetings in Canada, namely, Lord Robert Cecil (now Lord Cecil), Doctor Fridtjof Nansen and Mr. Frederick Whelen. Their tours were arranged and the expenses paid by this Society.

The sources from which the funds were obtained were, in the instances of Lord Robert Cecil and Doctor Nansen, the proceeds of the meetings addressed and contributions by representative bodies such as the Canadian Clubs who entertained our visitors at their regular luncheons.

Mr. Frederick Whelen's expenses were met solely by a guarantee from the various branches of this Society.

H. G. Richardson,
General Secretary.

Mr. Richardson does not quote THE POST correctly. THE POST said, "tours were arranged and the expenses paid of two of its leading advocates, who lectured in the United States and Canada."

It is no doubt true that the local co-operation of men like Mr. Richardson was called in and the Canadian Clubs were invited to pay what they could towards the expenses, and they no doubt sincerely believed they were managing and paying the tours. This is the way these things are always done by the clever men who direct from behind work of this sort. THE POST has no reason to doubt the accuracy of its statements, which were confirmed by a member of His Majesty's Privy Council of Canada.—Editor.

"How to Invest Your Money"

By BAYARD DOMINICK,
President, The Better Business Bureau of New York City.
(Copyright 1925)

Continuing the discussion on the "signs of insecurity in securities," there are several other important phases to be considered:

12. "Reorganization" and Merger.—Unsuccessful companies forced into "reorganization" often call upon stockholders for new funds. Unless such reorganization is in the hands of men of unquestioned integrity and ability, response to such appeals often means merely throwing good money after bad. A conspicuously fraududent device by which promoters have victimized investors has been the "merger," by which a new company, trading upon fresh prospects and promises, takes over the assets of an unsuccessful venture and issues new stock for old, provided the shareholder pays 25 per cent. or so in cash to take advantage of the "privilege" extended to him.

13. The Partial-Payment Plan.—This helpful method of selling securities has been much abused.

People who prefer to buy securities out of their weekly or monthly earnings, are sometimes victimized by pretended brokers or by vendors of stocks which have little or no value. In one instance a notorious firm, with offices in 11 cities, took orders for good securities on instalment payments not intending, however, to execute such orders. After a customer had paid in about half the amount of his purchase, and his confidence in the firm was established, he was persuaded to turn his payments to a purchase of other stocks which were endorsed strongly by the firm. These stocks proved to be of no value and the investor eventually lost all he had paid in. This is known as the "switching" process and is frequently used to victimize investors.

All honest securities dealers deplore activities of this sort and unite in warning the investor to buy on the partial-payment plan only after making sure of the financial responsibility and standing of the firm with which he does business.

14. The Appeal to Prejudice.—One of the chief stocks in trade of the unreliable promoter and his salesman is misinformation which plays upon the prejudices and emotions of prospects. This style of promoter poses as an authority on financial matters, particularly on "Wall Street," and takes pains to point out supposed "evils" and "special privileges" existing in the world of "high finance." He may urge that his venture is a poor man's proposition, free from the "large underwriting profits which the big fellows get." Investigation will show usually that such sellers endeavor to throw suspicion on others to divert it from themselves, since disinterested information about their offerings would reveal their weaknesses and the misrepresentation made about them.

15. False Sense of Security.—"Real estate—the safest security on earth." is the type of slogan under which at times unscrupulous operators endeavor to unload city lots, farm or fruit land or other kinds of property to persons who want to make an investment, but not a poor speculation. Purchasers are led to expect fabulous profits from increased values or from earnings when the land is cultivated. Many trusting individuals thus have buried their savings in land. Experienced opinion, supported by impartially-gathered facts, form the only basis upon which to buy real estate, especially when you cannot see it before you buy.

16. Real Estate Overvaluations.—In buying real estate bonds it is necessary for any investor to determine whether he is actually buying an interest in a conservative first mortgage, or only in a so-called first mortgage which may have risks in it as great as those of second or third mortgages, arising from overvaluations. To determine this he will need to examine carefully the relation of the amount loaned on property to a conservative appraisal value. The conservatism of the appraisal and the dependability of the appraiser, or appraisers, are fundamental considerations.

The factor of safety in this field of investment is an adequate, normal value or margin of safety above the loan on the property.

In the guaranteed mortgage bond, care should be taken to learn whether the guarantee is made by a corporation of strong financial responsibility.

17. Mining Fallacies.—Many mining ventures are honest but fail because the promoters are unable to finance the proposition through to a successful conclusion. It takes a large amount of money to develop any mine and bring its production to a point where it will pay an honest dividend to the stockholders.

Many other mining promotions are not good prospects although they may be represented as such. They are conceived mainly from the standpoint of stock selling, which will enable the promoters to earn large commissions or salaries, or to dispose of property of nominal value at high prices to the stockholders.

If a small investor wishes to buy mining stocks he can do so by purchasing securities of established mining companies with records of substantial earnings and of dividends regularly paid to stockholders.

18. Oil Risks.—To almost every one has come opportunities to speculate in oil through the purchase of corporate shares, leases, or participations in syndicates, in common law trusts, or in merger schemes. Very often such offerings are misrepresented. Usually they are sheer speculations, all the risks being taken with the stockholders' money, while the promoters, fiscal agents and salesmen pay themselves handsomely through stock sales, commissions, salaries or "organization expenses."

The investor who desires to buy mining or oil securities should get facts and experienced opinion as to values of issues of established successful oil companies. He should keep in mind that even the legitimate mining or oil business is speculative and depends for profits upon a sound combination of properties, organization, finances and management.

19. Invention Delusions.—The general public too often believes that large profits are to be gained through patented processes or devices. Inventions are a fascinating and usually appealing means for separating inexperienced investors from their savings.

Such patents are frequently the basis for the organization of companies with large capitalization out of which the inventor may hope to make an enormous fortune. He may honestly think his patent will bring real profits to the people who invest in the shares of the company formed to exploit his device. Quite often the inventor is misled by enthusiasm for the creature of his own brain, and he may often be the victim and not the beneficiary of the activities of the Blue Sky promoters to whom he assigns his patent.

Even when practical from a marketing and manufacturing standpoint, patents are usually only moderately valuable. The small investor especially cannot afford to take an "Invention Chance" with his funds.

The last article of the series will follow later.

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News and Views of Bond Market

THE MONEY RATE INDICATES LOWER BOND QUOTATIONS

But Opinions Are Not Unanimous on the Point

The between-holidays period has been marked by the usual quiet conditions in the bond market. Price tendencies have continued easy as for some weeks now since the high peak was passed. Few issues are offering at this season, but there has been very fair bidding for those which have come out. Institutional buyers have been taking a keener interest in the smaller municipalities since the bonds of the larger and better known communities have attained a level where the yield has been considerably curtailed. After the turn of the year it is expected that there will be considerable financing of both a private and public character. Provincial governments have to do considerable borrowing next year on the basis of refunding alone, and, in addition, there will be the financing of a lot of new projects to be taken care of. Then the success of the Canadian Pacific issue has started other corporation inquiries. The proposed Bell Telephone issue is outstanding in this connection, but others of smaller proportions are anticipated.

Opinions differ as to whether prices are to continue their upward tendency or react to somewhat lower levels. There are arguments on both sides as will be appreciated from a review of the market situation in the United States published on this page. However, the fact that there has been a considerable appreciation in the New York call money rate from the low basis of two per cent. would seem to indicate that the anticipated expansion in business, together with stock market speculation, are having their effect on the money supply. It seems logical, too, that if the rate goes higher and gives indication of remaining there, then the banks which have put large sums of their capital into bonds will find it to their advantage to dispose of such holdings to increase their funds for commercial purposes. This should have its effect on prices as the holdings of securities are put on the market. However, there is another factor in the situation which should not be overlooked, and that is the rising strength of the pound sterling. This gives promise that it may not be long before the British investor can look to Canada as a field to place his money, even though the volume of capital from that source is not likely to be large while the mother country has so many calls upon her at home.

NEW PREF'D SHARES FOR RIORDON BONDS

That is Suggestion of Plan for International's Acquisition of the Properties

From Our Own Correspondent.

MONTREAL.—New York reports are to the effect that the deal for the acquisition of the Riordon pulp and paper properties by International Paper Company is progressing very favorably. It is expected than an issue of $15,000,000 of preferred stock of the International Paper Company will be made. The bulk of shares would be given in exchange to the present bond holders of the Riordon Company on some such basis as will protect their interests and give them a yield equal to or even better than they are now getting. The remainder of the preferred stock would be sold to provide working capital for Riordon companies which would be taken over en bloc by the International Company and operated as a single unit through a subsidiary company to be organized in Canada.

The announcement would seem to indicate that International Paper Company has abandoned for the moment the original suggestion that the Riordon properties should be turned into newsprint mills. It seems now that the properties will be operated for the manufacture of high grade sulphite pulp for which the International Paper Company finds paper mills in the United States offer a big market. Newsprint manufacture will then be concentrated at the Three Rivers mill, where the company has recently undertaken extensive construction work to enlarge the capacity of the plant.

It is believed that the International has decided to take over all of the Riordon assets as this would enable them to get rid of the outstanding bond interest by the issuance of preferred stock. To take over only a portion of the assets might necessitate the redemption of the present bond issues or much more extensive liquidation proceedings.

It is expected that the price that will be paid by International Paper Company to the various bond holders committees for the properties taken over will be sufficient to allow for the issuance to the shareholders of an amount of preferred stock that will allow for unpaid interest on the issue that is in arrears, etc.

R. H. Neilson Becomes Manager Eastern Trust

From Our Own Correspondent.

MONTREAL.—R. H. Neilson has been appointed general manager of the Eastern Trust Company, in succession to Col. B. A. Weston, retired. Mr. Neilson has had extended banking service, having been in charge of various branches in Western Canada and Ontario from 1908 until 1915, when he went overseas with the First Canadian Divisional Engineers. After the signing of the armistice, he became manager of the Canadian Bank of Commerce at Moncton, which position he held until 1920, when he became assistant general manager of the Eastern Trust. Colonel Weston, the retiring general manager, remains a member of the board of directors.

Big Increase in Issues Floated in U.S. in 1924

CHICAGO.—Complete results of the year's record have not been tabulated as yet, but it seems safe to say that the total of interest bearing securities distributed to the American public, including long and short term bonds and notes, will approximate $5,500,000,000 as compared with $4,235,000,000 in 1923, and $4,620,000,000 in 1922.

These figures do not include capital issues in the form of stock, which will easily exceed another $750,000,000 for the year. Of the total interest bearing securities issued in 1924, approximately 85 per cent. represents new capital flotations and the remaining 15 per cent. represents the refunding of capital obligations previously issued.

WRITING DOWN OF RAILWAY CAPITAL IS BEING URGED

Some Advocates Are Looking to Lower Freight Rates

From Our Own Correspondent

OTTAWA.—Judging by reports coming from other parts of the country, it is probable that a concrete proposal for the writing down of the capitalization of the Canadian National Railways may come before parliament during the approaching session. In the past general recommendations only have been made. If this is done, it is sure to provoke quite a discussion, there being marked difference of opinion as to the course that should be followed.

If the capitalization is written down, the new figure would naturally have to bear a direct relationship to the physical value of the property. In the United States the advocates of rate reductions have claimed that rates should be based on a fair earning power on the actual investment in railway properties, and in order that this might be ascertained, they insisted on such a valuation being made. There was only one body competent to do this, the Inter-States Commerce Commission.

If concrete recommendations are made for the writing down of the capitalization, it is quite probable that the Railway Commission will be asked to report on the physical value of the National system. Its opinion would be accepted without question, for there is no other body in the country capable of giving such.

Advocates of the proposal are found in two groups. There are those who want the capitalization written down so that the new figure may be made the basis for rate reductions. There are others who would write it down on the ground that the existing heavy capitalization is a discouragement to the management. The latter say that if the figure were reduced to the total of the long term debt held by the public the fixed charges of approximately $40.000.000 might be expected to be met within a few years.

Those who oppose writing down contend that the proposal is merely an attempt to hide the realities of the financial situation, which might just as well be faced, and that the public would be the better for having to face it. They also point out that writing down the capitalization would not reduce freight rates, for they are not now based on the requirements of the National system in the matter of earnings. They also show that the system has not to pay fixed charges on the $450.000.000 spent on the Canadian Government Railways, which is equal to 20 per cent. of the total capitalization, given by the Bureau of Statistics as $2.207.000.000, at the end of 1923. As a matter of fact, there has been some writing down already, for $100,000.000 of Canadian Northern stock was wiped out when the government took over that system, while another $120.000.000 was wiped out through the taking over of the Grand Trunk.

Toronto Harbor Bonds Sold at the High Point

A record for cheap money, not only insofar as municipalities are concerned, but also provincial governments and the federal government, was established some two months ago when the City of Toronto disposed of $1,500,000 of Harbor Commission bonds at a price of 95.3534 or a yield basis of 4.79.

That the high spot was hit on that occasion is demonstrated by the fact that this week the Harbor Commissioners, in accordance with the terms of their trust deed, bought in something over $300.000 of their own bonds for the sinking fund at a price of 93.3 or two points below the figures of the last sale.

Tax Free Provision Leads to Heavy Public Borrowing

NEW YORK.—The great market which the surtax provisions of our tax laws have created for municipal bonds has been a continuing inducement to localities to use their credit freely and to expend what, in the aggregate, amounts to vast sums, which otherwise would not have been borrowed.

The transactions in municipals, which were comparatively small before the war, now occupy a very large place in the bond markets of the United States.

Prices for municipals began a steady upward trend in March, when the price of capital commenced to decline. These prices reached their peak early in November, for, notwithstanding that the printed prices during November still showed little decline, later on the quotations began to indicate the falling off; that is, the yield from such issues has latterly increased fractionally. At the high point some of the highest grade municipals sold on a 4 per cent. basis, and in August some 4 per cent. issues even sold at a premium for a short time.

THE PROSPECTS FOR BOND PRICES IN THE NEW YEAR

Chicago Expert Does Not Look for Material Price Changes

By C. W. SILLS,
Vice-President, Halsey, Stuart & Co.,
Chicago.

CHICAGO.—The marked activity and advancing prices experienced in the bond market in 1924 were due primarily to the pronounced and continued ease of money rates throughout most of the year. At the beginning of the new year, it is very natural to inquire if, in the face of the generally expected improvement in business and industrial conditions, these tendencies are likely to continue.

If, as is generally anticipated, business and industrial conditions show improvement through the new year, there no doubt will be some liquidation of bonds which were originally purchased during the past year by banks and business organizations as a means of temporarily employing, at a profit, their surplus funds, made available by the retarded business conditions which characterized a considerable portion of the year. If, moreover, the predictions of some, who are most optimistically inclined with respect to the probable improvement of business conditions, should materialize, it is conceivable that the accelerated business might result in both an increase in the output of new securities to fund improvements and extensions and stimulated requirements for bank funds for current needs. Such an improvement in business conditions, of course, would create a demand both for funds and for an additional supply of securities with the natural effect of stiffening interest rates and, possibly, reducing bond prices.

Considering another argument, advanced by those inclined to take a bearish attitude toward the 1925 bond market, the statement is advanced that with a material improvement in conditions abroad the demand from such sources wil readily absorb all the surplus funds that we may have available. Consequently, it is argued, the present plenitude of loanable funds will be diminished with a resulting stimulus to interest rates and a corresponding decline in bond prices.

The Opposite View

Despite the apparent weight of these arguments, there appears even better foundation for the opposite point of view; that is, that bond prices will continue strong rather than inclining toward lower levels. Opinion in the best informed circles appears agreed that interest rates—which, of course, are the primary factor in determining bond prices—are likely to continue generally easy for several years to come, tending very probably downward with only occasional reverses from that normal and gradual trend, due to seasonal or other influences of a purely temporary character.

Granting what appears to be probable—that we are about to enter a period of more active business—would accelerated business activity in 1925 result in one of the above referred to temporary swings away from a gradual inclined downward trend? The intensity and duration of such a hoped-for improvement in business conditions, of course, would determine that. If both prolonged and active, we may feel quite certain it will result in a demand for money that in time would advance money rates and lower bond prices. If, as seems more probable, however, such improvement is gradual and moderate, and even fairly prolonged, it should have no material effect on bond prices. So tremendous are the accumulations of idle funds throughout the country that considerable business expansion can be readily financed from existing resources without materially affecting interest rates.

The Foreign Demand

As for the possibility of foreign requirements in such volume as to absorb the existing surplus of funds in this country, thereby stimulating interest rates and reducing bond prices, such a probability appears rather remote. There is no doubt but that foreign nations and industries would very willingly take all of our surplus funds, possibly more, and would pay fancy interest rates for them if we would loan the funds. The immobility of the investing public is, however, a controlling factor. There is a disposition to be very much more open-minded toward foreign bonds than has ever been true before. Many, however, still are not sufficiently familiar with them, and this applies particularly to foreign industrial bonds, as to make probable the flotation of foreign issues in amounts sufficient to influence the investment market in the manner above referred to.

Turning again to the domestic situation, there does not appear to be sound reason for anticipating any appreciable increase in the issuance of new domestic bonds though it is within the range of possibilities that, if business improves moderately and interest rates continue fairly easy, there may be considerable junior financing.

The government will, of course, be periodically in the market for funds, but these calls are purely refunding operations which absorb relatively little in the way of new funds. Instead, remarkable progress is being made in reducing outstanding government issues.

As for the effects of further reductions in federal income taxes, if the experience of the present year is a fair criterion, it seems that this prospect can be faced with confidence insofar as municipal bond prices are concerned, for, despite the 25 per cent. reduction allowed in 1924, prices of municipal bonds were well maintained and the volume, as above stated, was the largest in history.

All in all, therefore, it would seem that there is little reason to anticipate a material change in the activity and strong prices that have characterized the market during 1924.

A SAVING ON COUPONS

A saving of over $21,000 has been effected by the Toronto city treasurer in covering City of Toronto coupons maturing in New York and London, Jan. 1, 1925, amounting to $1,400,000. In other words, every $100 of obligation was covered at a cost of $98.48.

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Municipal and Provincial Finance

MUST RAILWAYS PAY TAXES ON Y.M.C.A. BLDGS?

Supreme Court Will Decide on Legality of Assessment in Test Case

An unusually interesting case bearing upon municipal taxation is being fought out in the Canadian courts, between the Canadian National Railway and certain municipalities, with regard to whether or not the properties owned by the railways and operated by the National Council of Young Men's Christian Associations is subject to taxation by the municipality in which the Y.M.C.A. is situated. One of the Northern Ontario towns assessed the organization and in this case the parties concerned are endeavoring to determine the legality of such taxation in the case of all railway branches of the Y.M.C.A. in Canada. In its action, the municipality was upheld by the District Court, but the Ontario Railway Board to which an appeal was made by the Railway, decided that the assessment was illegal on the basis that said properties of the transportation companies are not subject to municipal taxation. On the other plea of the railway, that the Y.M.C.A. is a philanthropic organization, and should therefore be exempt, the Railway Board did not support the defendant. From the decision of the Railway Board, the municipality has appealed to the Supreme Court of Canada, at which point the case now stands.

The case outlined is one of no small importance, since on the decision to be reached depends the future procedure of a large number of municipalities throughout Canada. From coast to coast a number of railway associations will immediately be assessed should the Supreme Court uphold the action of the Northern Ontario town. On the other hand, it will be a matter of no little import to the railways to be permanently freed from the fear of being assessed on this portion of their property.

Tenders and By-laws

TENDERS WANTED

Jan. 27. Halton County—$69,000, 5%, 20-year highway debentures. Wm. Panton, Clerk, Milton.

BRITISH COLUMBIA

The following certificates have been issued by the municipal department of the province of British Columbia upon the following dates:

Nov. 4, 1924, Kelowna, fire hall, $17,000, 20 years, 5½ per cent.; Nov. 6, Nanaimo, bridge construction, $50,000, 50 years, 5½ per cent.; Nov. 5, Duncan, local improvements, $7,400, 10 years, 5½ per cent.; Nov. 10, District of West Vancouver, wharf construction, $10,000, 15 years, 5½ per cent.; Nov. 10, District of Coquitlam, $4,750, 10 years, 6 per cent.

RAILWAY EARNINGS

Canadian National Railway

Week end:	1924	1923	Change
Dec. 21	$4,251,500	$5,363,649	—$1,112,149
Jan. 1 to Dec. 21	229,964,318	246,621,732	—16,657,414

Canadian Pacific Railway

Week end:	1924	1923	Change
Dec. 21	$3,624,000	$4,305,000	— $681,000

This Week's Bond Sales

LEAMINGTON BOND ISSUE

An issue of $78,000, 5½ per cent., 15-year instalment bonds were sold to A. E. Ames & Co. at 101.40. Following is a list of the bids:

A. E. Ames & Co.	101.40
C. H. Burgess & Co.	101.22
Gairdner, Clarke & Co.	100.37
Wood, Gundy & Co.	100.28
McLeod, Young, Weir & Co.	99.62
McKay and McKay	99.00
Cochran, Hay & Co.	98.47

BRAMPTON ISSUE

The town of Brampton has awarded an issue of $73,000, 5½ per cent. bonds, maturing in 10 and 20 instalments, to Cochran, Hay & Co., on a bid of 101.21, and accrued interest. The bids are as follows:

Cochran, Hay & Co.	101.21
C. H. Burgess & Co.	101.15
R. H. Bain & Co.	100.972
A. E. Ames & Co.	100.71
Municipal Bankers	100.66
Wood, Gundy & Co.	100.61
Gairdner, Clarke & Co.	100.37
McLeod, Young, Weir & Co.	99.57

GALT BONDS SOLD

Hanson Bros. were the successful bidders for an issue of $30,470, 5½ per cent., 20-year bonds of the city of Galt, on a bid of 102.87. The bids are as follows:

Hanson Bros.	102.87
A. E. Ames & Co.	102.47
Stewart, Scully & Co.	102.25
W. A. Mackenzie & Co.	101.77
C. H. Burgess & Co.	101.62
Cochran, Hay & Co.	101.58
Wood, Gundy & Co.	101.33
Dyment, Anderson & Co.	101.08
Gairdner, Clarke & Co.	100.86
Bell, Gouinlock & Co.	100.80
McLeod, Young, Weir & Co	100.16
Matthews & Co.	100.13

QUEBEC ISSUE AT 98.03

MONTREAL.—A syndicate comprising the National City Company, the Bank of Montreal, and Hanson Brothers, were awarded the $839,000 bond issue of the Province of Quebec. The bonds pay 4½ per cent., are straight term and mature 1946. The syndicate's bid was 98.03.

The issue was made to cover advances from the consolidated fund of the province for the construction of the La Loutre Dam. The bid makes an interest rate to the province of 4.64 per cent., which Premier Taschereau stated to be most satisfactory as the last issue cost the province 5 per cent. The bids were:

Hanson Brothers	98.03
Municipal Debentures and G. S. Gourdeau	96.67
McLeod, Young, Weir & Co.	96.19
A. E. Ames & Co., Wood Gundy & Co.	96.15
Bray Caron & Dube; Greenshields & Co.; Mead & Co.; Bell, Gouinlock & Co.	94.85
L. G. Beaubien; Rene T. Leclerc	94.65

PROBING MUNICIPAL METHODS

SYDNEY.—Mayor James McConnell says a progress report of the Price-Waterhouse auditors, covering the period from 1924 to 1917 inclusive, will be available early in January. The cost so far has been only $10,000 although $40,000 had been appropriated for the probe which will go back to 1903. Mayor McConnell is unlikely to be opposed for another term owing to the tremendous effect his disclosures of loose methods and cash shortages under previous administrations has had upon the electors.

WATER EXTENSIONS URGED BY BUREAU

Research Organization Discusses Factors to be Considered by Any City Under Similar Conditions

Another timely contribution has just been made by the Bureau of Municipal Research under the direction of Dr. Horace L. Brittain, with regard to the proposed expenditure by the city of Toronto of $14,000,000 in the extension of the present waterworks system. A pamphlet has been sent out asking the citizens to consider certain vital phases of the problem. The pamphlet deals also with the amendments to acts governing the Consumers' Gas Company, but this is a matter of more or less local interest only. The problem of the addition to the water works is applicable to any city in the country, and is, therefore, of more than purely local interest. It involves first the question of need, and, secondly, the matter of the probable cost, and the suggested method of taking care of this expenditure. Following are the questions asked, and the answers suggested by the bureau from their wide experience in, and study of, municipal affairs:

1. What does the proposed extension involve?

Answer.—The extension will provide for an additional pumping station, a tunnel through rock for an intake, and a filter plant, at a site other than the present, as well as pumping mains to connect with the present system throughout the city.

2. Why is it desirable to have an additional intake and pumping plant?

Answer.—(a) The present situation is dangerous because the present intakes are on a bottom, the formation of which is constantly changing. Repairs in case of a break would mean, possibly, months, not days. The danger to health is obvious. Again, an explosion at the present pumping plant, or similar accident, might put the whole plant out of commission and a fire might render the electric installation useless, resulting not only in inconvenience, but in great dangers from the standpoint of health and fire.

(b) The present system is at the limit of its capacity.

3. What will the extension cost the taxpayer?

Answer.—The bureau has been informed that the additional debt charges will be $1,000,000 annually. If the surplus on the present basis is placed at $600,000, it would leave $400,000 a year for the taxpayer, if there were no increase in consumption and if the policy of operating public utilities at a loss were adopted. It would seem quite within the bounds of possibility that 25 years from now the population of Toronto might be 750,000 or even 1,000,000. This, or even a much smaller increase, would greatly augment the number of services assisting in carrying the overhead.

Ore receipts at the Trail Smelter of the Consolidated Mining and Smelting Co., for the period Dec. 15 to Dec. 21, amounted to 7,661 tons, and for the year to date 453,897 tons.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

Place	Date	Purpose	—Sold To—	Rate	Maturity	Amount	Price	Yield
			MUNICIPAL					
Leamington	Dec.		A. E. Ames & Company	5½%	1939	$78,000	101.40	5.38
Brampton	Dec.		Cochrane, Hay & Company	5½%	1934-44	73,000	101.21	5.26
Terrebonne, Que.	Dec.		Rene T. Leclerc, Inc.	—	—	100,000	99.58	—
Terrebonne, Que.	Dec.		Rene T. Leclerc, Inc.	—	—	90,000	98.78	—
Nipigon, Ont.	Dec.		Locally	6%	1944	10,000	100	—
Gananoque, Ont.	Dec.	School	Dyment, Anderson & Company	5½%	1954	35,000	—	—
Galt	Dec.		Hanson Brothers	5½%	1944	30,470	102.87	5.26
			CORPORATION					
Mathews Steamship Co.	Dec.		R. A. Daly & Co. and Dom. Secur. Corp.	6%	1934	1,500,000	—	—

A Thought for the New Year

IF the dollars for which you have worked during the past twelve months have slipped through your fingers, and you have failed to increase your income, it would be well for you to give thought for the future as the New Year begins.

Everyone who earns money and is thrifty enough to accumulate it, can increase his income steadily and surely by investing in high-grade Bonds.

You should therefore resolve to invest regularly a part of your savings during the coming year, bearing in mind that the character of the investment house in which you place your confidence is of primary importance.

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Another Town-Bred Englishman Has Title—He's "Sheep King"

Had a Fair Start as Farmer But Knew Nothing About Sheep Until Few Years Ago, Yet Won Over 500 Prizes This Year

From Our Own Correspondent.

SASKATOON. — While there are disgruntled farmers in the province demanding a moratorium and threatening to take the law in their own hands, if one is not granted, one finds in direct contrast farmers who are prosperous, happy and contented. They are those who are using brain and brawn to bring them success. One of these is William Darnbrough, "sheep king" of the prairies, who a few years ago knew nothing about sheep. Yet this year he not only sent forth sheep from his farm at Maple Holme, Sask., that swept Western Canada fairs, but he cleaned up at Toronto, Guelph and Ottawa shows as well.

Darnbrough is another town-bred Englishman to "make good" in Canada although unlike Dr. Seager Wheeler, Rosthern, J. C. Witchell, Dahinda, and C. A. Weaver, Lloydminster, who have all won world championships for Saskatchewan, he started to farm 1¼ sections, 800 acres, instead of ¼ section, 160 acres. He had a good start, it is true, but the wise use he made of 1915 bumper crop laid the foundation for his success. How he changed from straight wheat growing to mixed farming and after specializing in cattle, turned to sheep with the astonishing success that has followed his work with the exhibiting of pure-bred stock, is best told by himself.

"I came out to this part of the West in 1904, from the village of Drighlington, near Bradford, Yorkshire, England, along with my father, taking up a homestead and purchasing two sections, and started in to raise wheat on 800 acres. Not very much was broken the first few years, as at that time Saskatoon was our nearest shipping point, and was forty miles away. However, we soon had a fair acreage in cultivation and crops were up to the average, but all the surplus cash went back into improvements on the farm. In 1915 we had a very good year, getting 50 bushels per acre on the fallow land, and 35 on the rest. There was a good surplus on hand with this crop. Having got very close to 14,000 bushels of wheat I decided to put up some good barns, and the first one started on was a 30 x 52 horse barn. When this was completed, a barn 30 x 80 was put up for cattle. I decided to go in for pure bred stock and bought 15 head of Red Polled cattle. This venture proved successful, and there was a very good demand for breeding stock and the money derived from these helped out considerably in the poor grain year of 1919, but feed was very scarce, and exceptionally high and my thoughts began to turn to some livestock that would not require so much feed, yet would give a good profit, sheep. I did not know the first thing about sheep or what breed to get, so I hunted up the best books that I could find on the subject and I found them very interesting. Deciding that I would try a few, and as all the writers said that the Southdown was the most ideal sheep, that was the breed I had in mind.

Goes In For Sheep

"In the following year, 1920, I purchased my first sheep, consisting of 12 head all bred. These were three pure bred Shropshires, and 9 grades mostly of Southdown blood. These ewes gave me 21 lambs and I was highly delighted, but when shearing time came around it was anything but delight, as the first one I sheared took me one hour and twenty minutes of the hardest work I ever did in my life, but I managed to get through somehow, and cut the time down. The last one took only twenty minutes. The lambs grew up strong and lusty and I thought that I would like a few more and finding a person who wanted to dispose of his flock of Southdowns I bought them, 33 head, and also purchased 35 head of grade Shropshire ewes. The following spring I had 44 ewes in lamb and got 68 lambs.

"That year, 1921, I decided that I would try my luck in the show ring. I picked out the ones that I thought were the best, and started out with great expectations, but only succeeded in gaining one first ribbon.

"But though I did not make much money, I gained experience which had far greater value, and I determined to do better next year. On arriving home in August, I went over all the sheep and culled out all which I did not think were real good ones, and I shipped them off to the market. There would be about 35 head that I did not want. I wanted to have more lambs the next year, and as I had got interested in Suffolks I thought I would buy a few and try them, so I got 9 ewes, but was disappointed in my lamb crop as out of eleven lambs only two were ewes.

"In the spring of 1923 I commenced to fit the sheep for show, and this year I was more successful than the preceding year as I got 87 firsts at eight fairs. But still I did not do as well as I would have liked. The sheep were good but not quite good enough. I looked around carefully for some good rams to mate up with the ewes, and in the fall of 1923 I spent $350 in rams and once more went over the ewes and culled out the poor ones. I had then 65 breeding ewes left. These gave me a lamb crop of 111 lambs, and 85 per cent. of these were born in January, all doing exceptionally well, a number of them weighing between 95 and 103 pounds at 100 days old.

Variety of Feeds

"These were fed a great variety of feeds, as I have found that the more variety they get, the better they will do. The following was what I used during the past year:—Alfalfa, sweet clover, pea straw, prairie wool, turnips (Swedes), corn silage, (grain) oats, barley, peas, bran, oil meal and cleanings out of the wheat. I had about 30 lambs that I weighed every two weeks. At 100 days old these gave an average of slightly over 76 pounds.

"This year, 1924, in the show ring I had a better season than the preceding one, getting 23 championships, 174 firsts, 147 seconds, 91 thirds, 42 fourths, 35 fifths and 4 sixths, 2 reserve championships, a total of 515 ribbons. This looks considerably larger than 1923, but I had more sheep out.

"I am still not satisfied with the sheep, as they can be improved, and at the present time I have spent $605 in rams including one imported Shropshire ram. But at the same time I have taken in over $2,500 in prize money, and sold over $2,000 of sheep, 90 per cent. rams, and have on hand at the present time 197 head of sheep.

"Last year the profit was $2,356, with 135 head on hand January first, 1924. I have not got my books balanced up for the present year, but expect it will be considerably greater than the above.

Only One Person Kicked

"I have sold about 30 head of rams this season, and up to the present I have only had one person that had any complaint to make, and he wanted the cheapest ram that I had. A good number of the breeders of sheep need a lot of advice on buying rams as they seem to think that any ram is good enough so long as it is cheap. In fact I have had a number of inquiries to know if I could supply a good grade ram. So long as the culls are used on a breeding flock it is going to hurt the sheep industry. I have also found that fully 50 per cent. of the sheep breeders breed their lambs, which, I think, is one of the greatest mistakes that can be made, as it retards growth and cuts down prolificacy.

"I found that with the increasing number of sheep that I could not do full justice to the cattle as I found considerably more profit in the former, and all labor in connection was a pleasure, and, as a result, as the sheep increased the cattle decreased. Of course I do not wish to imply that there was not much profit made in the breeding of cattle as there was good money in it, but there was considerably more work that was not pleasure by any means.

"At the present time the two main products on the farm are sheep and the growing of grain for show. This keeps my time fully occupied all the year round, and I very rarely find the time dragging. It is usually the other way. My two great ambitions are to make a clean up at Toronto in the sheep and the same at Chicago in the grain. I may have to wait a considerable time but live in hopes as a defeat only means trying harder the next time."

TORONTO'S FINANCES

Despite overdrafts the city treasurer of Toronto may this year show a surplus in his report. The only item of large amount for which an overdraft was necessary outside the usual routine and which could not very well have been foreseen when the estimates were prepared, is that of $176,267 in connection with the Metropolitan Division of the Hydro Radials.

The remaining overdrafts of importance are as follows: Temporary financing of the north-west grade separation, $80,000. Unemployment relief over the estimate, $57,897. Provincial election expenses, inquests, etc., $23,250. East-end hospital site, $51,194. Special taxes on soldiers' comforts, etc., $15,950. New North Toronto police station and other unemployment relief works, $35,000. Changing names in connection with the north-west grade separation, $34,000. Metropolitan Railway expropriation proceedings, $22,552.

Thirteen smaller amounts totalled $35,000.

DAIRYING YIELDS CASH TO FINANCE WESTERN FARMERS

(Continued from page 9)

displayed, as the path strewn with the wreck of their endeavors shows most clearly. Even the Wheat Pool, the supreme effort and heralded panacea, after all the vaunting of Aron Sapiro, has not by any means reached solid ground. No less than last week, the Hon. Mr. Gardiner, Minister of Highways in the Saskatchewan Legislature, pointed out that politics was infiltrating the organization; we also find the same old farmer politicians at its head.

All these disillusionments, while not having brought the average farmer openly to admit that that ephemeral capitalist away down east is not altogether to blame for his many ills, have brought him to realize that, as he cannot get his necessaries on credit, he must have the cash to pay for them. Hence we have little creameries and miniature cheese factories springing up here and there, and whose chief effort is the shipping of butter, cheese, eggs and poultry to the eastern markets, a thing almost negligible five to ten years ago. Some nine years ago one car load of eggs was shipped out of Saskatchewan. Now under the special legislation brought in raising the standard of Saskatchewan eggs, twelve car loads were shipped out of the small Rosthern Creamery last year. Last year, also, saw the first car load of turkeys shipped by car load lots, resulting in a repeat order by the consignees. These are instances of a diversion of production which has slowly come about during the past three or four years, chiefly due to the curtailment of credit. Many of the farmers now literally finance their season's operations on the weekly cream cheque. It is this factor that augurs well for the west's future, not forgetting the potentiality of western wheat acreage without which the prairies would once again revert to the buffaloes and their hunters. This subsidiary income of the farmer is helping him to at least maintain his present position, although in many cases he is overloaded with debts and land. In the course of a few years, however, when the inflation is taken out of the manufactured and other goods, which he now buys, and brought to a corresponding level in price to the produce which he sells, he will then be in a potential position to take advantage of the market and will have a greater surplus in cash at the year's end with which to pay off his indebtedness.

This resume of the situation leaves out of consideration, of course, the unfortunate mistakes made by ignorant or unfortunate settlers who, either through the knavery of land agents or otherwise, settled on arid or semi-arid land which is totally unfit for farming.

EUROPEAN EXCHANGE IN NEW YORK

The Royal Bank publishes the rates at which the leading European currencies sold in New York on December 13th last, and the rates of the year previous. It will be noted that no currency is materially lower than a year ago, while the exchanges of Switzerland, Holland and Sweden are now above par.

	Par Cents	Dec. 14, 1923 Cents	Dec. 13, 1924 Cents
France, franc	19.3	5.32	5.37
Belgium, franc	19.3	4.61	4.96
Italy, lira	19.3	4.35	4.31
Switzerland, franc	19.3	17.44	19.37
Holland, guilder	40.2	38.19	40.35
Denmark, krone	26.8	17.83	17.53
Norway, krone	26.8	15.02	15.13
Sweden, krona	26.8	26.33	26.95
Spain, peseta	19.3	13.06	14.18

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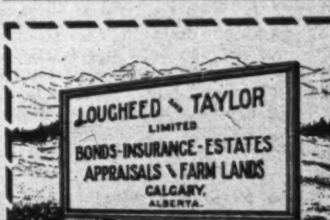

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THE MUTUAL LIFE OF CANADA
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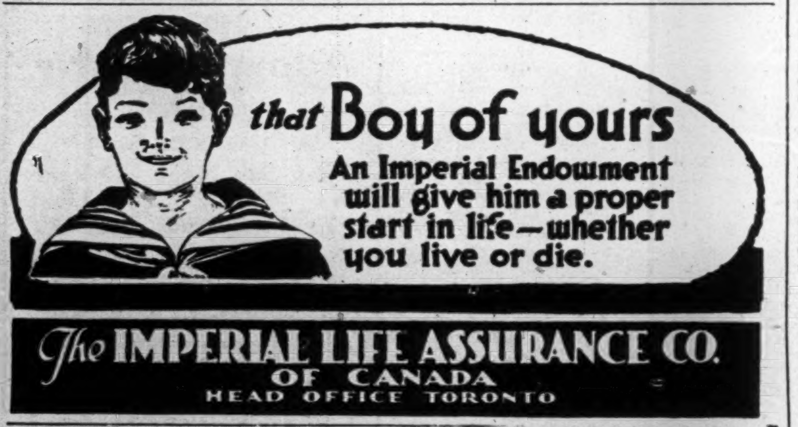

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HEAD OFFICE TORONTO

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DOMINION LIFE
Assurance Company
a well-established, strong, progressive Canadian Company issues policies to meet every need.
Head Office
WATERLOO, ONTARIO

SIX BIG FINANCIAL EVENTS MARKED YEAR 1924 AS IMPORTANT

(Continued from page 1)

movement in Montreal Power shares and the sudden drop in the stock—though not to the low point of the year—when the attack began on the "monopoly" that has been created, were incidents fresher in the memory but not of as much real significance as the joining together of the several groups.

Besco Dividends All Passed

The cessation of dividends on the preferred issues of the British Empire Steel Corporation, and its various subsidiaries, affected directly thousands of investors in Canada and abroad. But is was a most unsatisfactory occurrence from another standpoint, for it was the step that finally shook investment confidence in a group of securities that had been, at one time, recognized as a strong, worth-while group of sound investment stocks. This group included Nova Scotia Steel and Coal, Dominion Coal, and Dominion Iron and Steel. It will, under the circumstances prevailing, be a difficult task again to restore these securities to their former high favor. At the moment, steel conditions show a trend towards improvement, but the dividends may not shortly be resumed.

Three More Bank Mergers

There were three bank mergers during 1924 to add to the merger of the Bank of Hamilton with the Canadian Bank of Commerce that had been consummated towards the end of 1923.

At the beginning of the year, affairs of la Banque Nationale, which had been struggling along under an ineffective re-organization, came to a crisis. An attempt was made to merge the three French-Canadian banks. La Banque Provinciale du Canada declined to enter the arrangement, but la Banque d'Hochelaga acquired la Banque Nationale. To facilitate the union, and to maintain the high level of liquid assets of the Hochelaga, the government of the province of Quebec threw $15,000,000 into the deal, which is to be repaid in yearly instalments over a long term. The new bank will be known as la Banque Canadienne Nationale, after February 1.

In the spring the Sterling Bank of Canada and the Standard Bank of Canada joined forces under the name of the Standard-Sterling Bank of Canada. Neither bank was in difficult condition; but present conditions make the position of a small bank hardly worth maintaining.

Finally, the historic Molsons Bank determined that it was either a case of cutting its dividend or giving up its individuality, and rather than cause loss to the shareholders, the bank joined forces with the Bank of Montreal.

That is an extensive record for one year; two big loans of record size and at record price; three bank mergers, the creation of a gigantic public utility merger in Canada's largest city, the most calamitous event yet in the history of Canada's largest industrial corporation. The year was replete with other events of great importance. There were the financing of the first stages in the development of a new and powerful hydro-electric corporation, the Duke-Price Company, of Northern Quebec; the final steps in the winding up of Toronto Railway, and the rise in the shares from 82 to 117; the broad distribution gained for Canadian Industrial Alcohol and Consolidated Smelters shares; the acquisition by Canadians of a large block of Canadian Car shares, formerly owned by United States interests; the investment of millions of dollars in Northern Ontario and Quebec mines, and the change in control of Northern Canada Power.

It was a busy 1924.

Insurance for Buyer and Seller

NEW ACT OUTLINES EXACT POSITION OF BENEFICIARIES

Company Organ Discusses Question of Insurable Interest

From Our Own Correspondent.

MONTREAL.—Commenting on the Uniform Insurance Act which, on January 1 next, will be in force in most of the provinces and which, it is expected, will be passed by the legislatures of Nova Scotia and New Brunswick early in the year, a local insurance company in its house organ takes up the question of insurable interest. It says:

"The essential of any life insurance contract is that the insurance should be legitimate and not a mere gamble. There should be some real, sound reason for affecting the policy.

"It has long been admitted, however, that everybody has an insurable interest in his own life to an unlimited extent. Any man is free to save up as much money as he can or likes, and life insurance for one's own benefit or the benefit of one's estate is as good a form of saving as any other—better, in most cases, as our canvassers know. Thus the uniform act contains the following clause:—

> Every person has an insurable interest in his own life.

"In practice, of course, the company always tries to satisfy itself that the person effecting the assurance has sufficient means to keep up the premium payments. If the amount of assurance seems, after enquiry, to be larger than the applicant is able to pay for, one 'smells a rat' and a speculation or gamble is suspected.

"The uniform act states that each of the following persons has an insurable interest: A parent in the life of a child under 25; A husband in the life of his wife; A wife in the life of her husband; One person in the life of another on whom he depends for support or education; A firm (or person) in the life of an employee. A person who has a pecuniary interest in the duration of the life of another person, in the life of that person.

"The six descriptions cover a fairly wide field of insurable interest, but it does not follow that the insurable interest as so defined would invariably be unquestioned by a company. A good test—perhaps, though a rather severe one—is to apply the question: Will the person to whom the proceeds are payable lose money by the happening of the event insured against?"

Under the new act, as was the case in most of the older ones, once a preferred beneficiary has been appointed, the beneficiary can not be changed except to another in the preferred class—this class comprises husbands, wives, children, grandchildren, fathers and mothers. Even with a preferred beneficiary, the policy may be assigned to another so long as the original beneficiary and the assured both make the assignment. Ordinary beneficiaries may be removed at any time by the assured. A divorce brings a wife-beneficiary or a husband-beneficiary into the class of ordinary beneficiaries. In the case of separation between husband and wife, where either is a beneficiary, and pronounced disentitled to a restoration of conjugal rights, and there are no other members of the preferred class, the insured may divert the benefits to himself, or his estate, or an ordinary beneficiary.

Should Fire Business be Based on the Premiums?

MONTREAL.—Many agents of life companies here feel that the volume of business written should not be based on the face value of the policies, which have been sold, but on the actual amount of the premiums which have been paid.

For instance, it is felt that many agents will have written $100,000 during the past year, but their premiums will have averaged, say $25 for each policy. On the other hand, an agent who writes only $80,000, but whose premiums average $40 for every thousand dollars written, is the more valuable man to his company.

For these reasons some agents feel that the question to be asked at the end of the year is not, how much did you write? but, how much did you bring in in actual premiums to your company?

More Hopeful Outlook for Loans in the West

Pointing out that the crops in Western Canada in 1923 were satisfactory so far as volume was concerned but did not turn out as regards quality as well as had been expected, and that the agricultural community, therefore, did not benefit to the extent anticipated, the directors of the Western Canada Investment Co. report revenue for the year ending June, 1924, at £8,403, compared with £9,100 in the previous year. Preferred dividends took £5,000 and appropriation was made for a dividend of 2½ per cent. on the ordinary shares requiring £1,250. The balance brought forward was £7,850 and £7,000 was transferred to contingent account, leaving a surplus to carry forward of £3,003. The 1924 crops are referred to as being considerably less in volume than in 1923 with varied quality and yield in different sections, but expenses are said to have been lower while prices are higher and the general situation is regarded as somewhat more hopeful.

Recession of Life Policy is Denied by the Court

An inference unfavorable to the insured cannot be drawn from the fact that he has claimed the privilege existing between the physician and patient, unless some proof of the presence of a disability and medical attention therefor is shown, according to a decision of the Supreme Court of New York. Travelers Insurance Co. asked the recession of a policy on the ground that the holder made misrepresentations in his application for insurance. The representations made in the application are: "I am not deformed; I have had no bodily or mental disease, nor have I received medical or surgical attention within the past five years, except as herein stated." The company presented testimony which, it claimed, indicated that the defendant had bodily or mental disease.

INSURANCE LICENSES

The following insurance licenses have been issued by the Department of Insurance, Ottawa: to the Sea Insurance Company Limited, to issue fire insurance, W. G. Drysdale, Toronto, being the chief agent; to the British Traders' Insurance Co., the Union Insurance Society of Canton, the Phoenix Insurance Co., the Reliance Insurance Co., the Connecticut Fire Insurance Co., the Westchester Fire Insurance Co. and the Equitable Fire and Marine Insurance Company to transact tornado insurance; and to the Travelers Insurance Co. to issue sickness insurance.

BRUCE CURRY,
Recently appointed manager in Montreal, of London Life Assurance Company. A story of his successful methods of selling insurance appeared on this page last week.

Montreal Business Men After Part-Time Agents

From Our Own Correspondent.

MONTREAL.—At a meeting of the Chambre de Commerce of Montreal, it was decided that the problem of the part-time fire insurance agent would be dealt with by a committee which would meet the representatives of the agents and brokers. The matter will again come up before the Chambre de Commerce in January.

The insurance agents of this province are anxious for legislation at Quebec which ensures that the public are served by men who at least have some knowledge of insurance.

At present, any man may obtain a license provided he is the agent of a recognized company. As a consequence the butcher, the baker, the candlestick maker have, in many instances, taken out licenses in order to buy insurance for their friends and relations. Other abuses, too, have grown up out of this system of allowing almost any person to have a license.

In the meantime, the recognized brokers are doing all within their power to obtain legislation which will force the applicant to pass some form of examination.

INSURANCE FOLLOWS OWNER

CINCINNATI.—Judge Robert S. Marx, in an auto insurance case has held that it is the owner who is insured and not the automobile, and if he changes makes of automobiles before an accident and the company continues the insurance in effect, and does not repudiate or avoid the policy, it is estopped from denying liability under the insurance contract it had.

WOULD RESTRICT QUEBEC LICENSES TO FIRE AGENTS

Believed That This Would be in Interests of the Public

From Our Own Correspondent.

MONTREAL.—At the next session of the provincial legislature, the fire insurance brokers of Montreal will have their own barrister on the spot, endeavoring to obtain legislation which will prevent any "Tom, Dick, or Harry" taking out an insurance license and selling himself, his friends and his relations their fire insurance.

At the present time there are some 4,000 licensed fire insurance agents in the city of Montreal; the association members feel that in many cases, those who do the placing of the risks, are not competent to judge of their principal's requirements and often sell them improper policies, or do not obtain the lowest possible rates. For these reasons, the regular full-time men feel that the people are entitled to some protection, and they desire to have more stringent rules with regard to the issuing of licenses. They, the brokers, say that it is not their intention to make the profession a closed corporation, but it is felt that everyone, the public as well as the brokers, would benefit, if, before being allowed to sell the broker had to pass some form of examination. Last year the province of Nova Scotia passed laws which prevented the trust companies from writing business and other provinces have legislation which puts, at least some check, on the number of people who may write insurance. Some of those writing business here express the opinion that it would help matters considerably if the fee were raised. It costs but $10 at present to obtain a license and one broker told THE FINANCIAL POST that he considered that a fee of $150 would be advisable.

Although, as yet, there appears to be no opposition to the demands of the brokers, some of the companies do not seem to be altogether in sympathy with the requests of the agents and brokers. A manager of one of the larger companies pointed out to THE FINANCIAL POST that other selling organizations were not helped by legislation and that many of those who were now devoting all their time to the business, made their first start as part time agents.

CANADA LIFE CHANGES

Recent promotions and re-arrangements in the Canada Life Investment Department have resulted in the placing of W. R. McConnell in charge of the Loaning Agencies of the Canada Life in Western Canada. Eastern Canada is in charge of W. Hastie, formerly investment manager at Montreal, who will now make his headquarters at Toronto. This re-arrangement of forces will give cohesion and direction to the investment facilities of the Canada Life.

The Record of Fire Losses in Canada

Place	Property	Date	Damage	Insurance	Cause
		Nova Scotia			
New Glasgow	J. W. Cumming & Co., Ltd.	Dec. 15	considerable	......	unknown
Wolfeville	Hancock's livery stable	Dec. 17	total	partial	......
Torbrook	M. Cole, res. and contents	Dec. 12	total	partial	......
Kingston	R. Fitch barn and contents	Dec. 11	total	partial	......
Kentville	Kentville Woodworker's plant and contents	Dec. 25	40,000	......	unknown
		New Brunswick			
Kedgwick	Lynch & Fournier, res.	Dec. 9	1,000	......	......
Sussex					
	Mrs. J. Lamb, residence	Dec. 21	1,500	partial	......
	W. Bloomfield, contents	Dec. 21	500	none	......
Coldbrook	J. O'Connell, residence	Dec. 19	2,000	partial	def chimney
		Quebec			
Montreal	O. Quintal carriage shop and bldgs.	Dec. 12	100,000	partial	unknown
Sherbrooke	J. A. Trudeau, hotel	Dec. 16	15,000	......	unknown
Montreal	The Fairman Estate, Palmer & Sons, Ltd., Foster-Brown, David's Ltd., and Windsor Bowling Alleys	Dec. 20	200,000	......	......
Drummondville	M. Houle, residence	Dec. 19	heavy	covered	......
Montreal	Ste. Helene School	Dec. 19	considerable	......	......
Chateauguay	2 houses	Dec. 16	total	......	......
Montreal Rd.	C. Gosselin, res. and garage	Dec. 18	2,000	partial	unknown
Chapleau	Public School	Dec. 23	20,000	10,000	unknown
Hull	E. Labonte, res. (one death)	Dec. 16	2,000	......	stove
		Ontario			
Carleton Place	Rivington Bros.' res.	Dec. 13	5,500	none	o'heated pipes
International Falls	Greengard Block	Dec. 14	heavy	partial	......
Cookstown	H. Fisher Store	Dec. 14	8,000	covered	o'heated pipes
Collingwood	D. McDermid, barn	Dec. 13	total	......	unknown
Richmond Hill	G. Duncan, barn and crops	Dec. 17	total	......	match
Penetanguishene	A. Mayer, barn	Dec. 4	total	partial	lantern
Barrie	H. Barron and Mrs. B. R. Johnston, store	Dec. 19	8,000	partial	......
Long Branch	F. Flaxman residence	Dec. 19	3,000	covered	o'heated stove
Pembroke	F. W. Cockburn garage	Dec. 17	500	covered	......
Toronto	M. Shesky store	Dec. 19	850	......	o'heated stove
Kingston	Bank of Montreal Bldg.	Dec. 18	10,000	covered	gas stove
Toronto	W. H. Apted, bldg.	Dec. 21	1,000	......	......
	Holford Mfg. Co.	Dec. 21	5,000	......	......
	Can. Hdwe. Co., Ltd.	Dec. 21	1,000	......	......
London	Orth Building	Dec. 20	50,000	......	......
London	A. L. Hammond residence	Dec. 21	8,000	......	......
Stirling	B. Bellshaw garage	Dec. 12	1,000	......	unknown
Hamilton	2 Street Cars	Dec. 20	total	......	......
Port Arthur	C. P. R. lift bridge	Dec. 9	heavy	......	unknown
Grimsby	J. Gaghan, residence	Dec. 11	total	......	unknown
Toronto	C. McClellan, residence	Dec. 25	800	......	......
Windsor	Horton-Cato Co., plant	Dec. 25	1,000	......	oil heater
Maple	J. Wood, barn	Dec. 13	1,000	covered	......
Clear Lake	W. Harrison, out bldgs.	Dec. 12	total	partial	unknown
Toronto	A. Kamans, store	Dec. 23	1,150	......	unknown
Toronto	Freight car	Dec. 23	500	......	s. combust'n.
Port Arthur					
	J. Sevilotte, residence	Dec. 16	total	2,000	unknown
	M. Stenecar, residence	Dec. 16	considerable	1,000	unknown
	P. Stoianoff residence	Dec. 16	considerable	500	unknown
Morrisburg	W. P. Allison, coops & chickens	Dec. 17	3,000	......	torch
Toronto	J. Walsh, residence	Dec. 23	2,000	......	o'heated fur.
Ottawa	Carlyle Apartments	Dec. 21	8,000	covered	def. wiring
S. Monaghan	F. Buckham, res.	Dec. 22	heavy	partial	......
Ottawa	W. E. Hastey, bldg.	Dec. 19	2,500	......	......
Pt. Arthur	J. R. Hutchinson and H. Tadderash, residence	Dec. 16	total	partial	......
Toronto	S. Wiseberg, residence	Dec. 23	900	......	def. furnace
Springville	B. Stevens, barn and contents	Dec. 19	4,000	partial	unknown
Wharncliffe Road	A. L. Hammond, res.	Dec. 20	7,000	......	unknown
		Manitoba			
Morden	W. Collins' store	Dec. 16	heavy	partial	unknown
Soruis	G. Cline, blacksmith shop	Dec. 16	total	......	unknown
Wawanesa	R. A. Mitchell, groc. store, restaurant and residence	Dec. 17	total	......	......
Winnipeg	Stovel bldg.	Dec. 24	150,000	partial	unknown
		Saskatchewan			
Saskatoon	Parisian Dye Works	Dec. 10	2,800	2,000	elec. iron
Saskatoon	Saskatoon Hat Cleaner & shoe shine	Dec. 10	1,200	......	elec. iron
Saskatoon	Emmanuel College	Dec. 17	500	partial	o'heated pipe
Pelly	Stewart Lbr. Co., Sawmill	Dec. 16	total	......	......
Shaunavon	Jarvis bldg.	Dec. 14	1,500	none	unknown
Keeler	Phillips, Clark & Co., garage	Dec. 16	total	2,700	unknown
Humboldt	M. Krewinsky shack	Dec. 17	total	......	o'heated pipes
		Alberta			
Calgary	Bell, McAuley & Morris Co., store	Dec. 14	700	......	unknown
Jasper	Station bldgs.	Dec. 14	total	covered	unknown
Red Deer	Lacombe flour mill	Dec. 17	25,000	partial	o'heated stove
Strathmore	Keoma Trading Co., store and premises	Dec. 15	15,000	14,500	unknown
Taber	J. Tufteland & T. Bernier, bldgs.	Dec. 16	total	partial	stove
Edmonton	City of Edmonton stores dept.	Dec. 15	50,000	covered	unknown
Griffin Creek	McKenzie Bros.' res.	Dec. 15	total	......	stove
Leduc	Colquhon barn, S. G. Tobin warehouse, J. Shultz garage and W. Servant meat shop	Dec. 18	total	800	......
		British Columbia			
Haysport	Mrs. Dupuis, post office and store	Dec. 8	total	covered	unknown
Trail	C. P. R. zinc plant and sheds	Dec. 19	25,000	......	......
Cottonwood Creek	W. Foster, residence	Dec. 19	total	......	......
Nelson	C. H. Choyce bus. premises	Dec. 15	1,800	partial	unknown

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TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

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CANADA IS COMING THROUGH ! !

STAND BY HER

In YOUR FAITH Lies HER STRENGTH

THE PROOF OF THE CASE:--

In 1924

> A young state cannot afford to waste its capital, and it is almost as important under existing conditions to balance trade returns as it is to balance the national budget.

Dominion Finance: Canada did not increase her national debt in 1924. On the contrary by careful financing she had $35,993,594 to apply to the reduction of her national debt at the close of the fiscal year.

Trade: Canada more than balanced her trade returns. In the calendar year 1923, the trade balance in her favour was $124,788,608. For the last twelve months available, ending October, 1924, her trade advantage has jumped to $270,522,760.

Bank Deposits: On December 31, 1923, the Canadian people had on deposit in banks (chartered and savings) $1,274,326,346. This has increased to $1,274,427,867 by September 30, 1924. Savings deposits in the Ontario and Manitoba Provincial Savings Office systems have increased by over $10,000,000 during 1924.

Insurance: Life insurance in force in Dominion companies, which is a barometer of thrift, has gone up from $2,934,843,848 at the end of 1921 to $3,433,489,876 at the end of 1923. Fire insurance in Dominion companies, which is an index to property values, has likewise increased from $6,020,513,832 at the end of 1921, to $6,713,750,805 at the end of 1923.

Agriculture: The year's crop, though less than the phenomenal one of 1923, is above the average for the preceding five years (1918-22). A rise in agricultural prices has equalized conditions for the farmer as they have not been in several years past, thus promoting national harmony. The numbers of farm live stock show an increase over last year. The dairying output is mounting rapidly.

Fisheries: The 1924 catch has been more profitable than that of 1923 by over a million dollars.

Mines: Production in 1923 was 16 per cent. above that of 1922. In the first half of 1924 the value of metals produced went up to $47,000,000, compared with $39,000,000 in the same months of 1923. The mining industry as a whole will be well above the level of 1923 in 1924.

Railways: The net operating revenues of Canadian railways showed an increase of over $2,250,000 in 1924 compared with the preceding year. The Canadian National lines in Canada have increased their net operating revenues in 1924 by over a million and a half.

Building: The housing scarcity which was so serious as a result of the cessation of building during the war has now been fairly met and the nation is free to turn its capital into more immediately productive channels.

Employment: Canada began the year 1924 on a considerably lower level than the United States, but has ended the year considerably above the latter. In January, 1924, our index number was 88.7. In November it was 93.0.

Canada is not spending more than she earns. Her dollar is the only currency in the world quoted at a premium over the U.S. dollar since the war.

A Foreign Opinion—

> "Fundamentally and basically Canada is in a much more favorable situation than the United States, whose trade channels are choked with two-thirds of the world's gold supply, and where minor business flurries during the past year or two have but served to retard progress toward the ultimate goal of general business activity and broad prosperity."
>
> ROGER W. BABSON, Babson Statistical Service, Boston.

A Great Financier's Judgment—

> "The name of Canada stands high throughout the world. Its credit is excellent. Its resources and natural advantages are very great. It is producing a fine, sturdy, upstanding race of men and women. To be a Canadian is an excellent trade-mark everywhere. The greatness of Canada's future is beyond question."
>
> OTTO H. KAHN, at the Empire Club, Toronto.

STAND BY CANADA---For Canada is Coming Through!

Issued Under Authority of Hon. Thos. A. Low, Minister of Trade and Commerce, Ottawa.

CLEVERLY STAGED FAKE CONCERN HAS COST MANY DEARLY

Hearst Music Pub. Co., Winnipeg, Proved Great Swindle

LOSSES ARE HEAVY

Farmers and City Folk Mulcted of Huge Sums — Mysterious Bank Account and Dividends Helped

From Our Own Correspondent.

WINNIPEG.—The story of the Hearst Music Publishing Co., which blew up recently, shows in an extraordinary manner how a clever rogue can hoodwink hundreds of trusting souls and separate them from their savings. Joseph X. Hearst, regarded as a musical and financial genius, who is the culprit in the case, is a fugitive from justice with a reward of $1,000 offered for his apprehension. Shareholders, who have been accustomed to congratulate themselves on the ownership of shares paying enormous dividends, face a loss of from $500,000 to $750,000. Gradually details of an amazing swindle is being revealed, in which shareholders, government bodies, company directors, employees, and a firm of chartered accountants were duped by a series of faked and forged documents, representing a business apparently successful to an extraordinary degree, and deposits of large amounts of money which were entirely mythical.

Hearst appears to have arrived in Winnipeg without any funds about four years ago. Within a short time he had acquired a reputation as a musical and organizing genius, was believed to have an enormous income, and seems to have had little difficulty in separating prosperous citizens of Winnipeg and farmers of the surrounding country from amounts varying from a few hundred to forty thousand dollars each.

Hearst Music Company was incorporated with a capital of $25,000, mainly contributed by Hearst and his relatives. They were understood to be engaged in the business of publishing sheet music in the United States, and Hearst was supposed to be the writer of a certain amount of popular music, and to be in receipt of large royalties from publishers. A short time after, the capital stock of the company was increased.

Large Dividends Paid

Notices of large dividends being paid appeared from time to time in the newspapers. Hearst's name appeared as subscribing $7,000 in a municipal charity drive last December for the Federated Budget, and his was the largest individual subscription recorded. A large amount of stock was sold, sometimes by Hearst himself, sometimes by agents. A good deal of this was represented as being Hearst's own stock which he was selling, in spite of the enormous dividends paid, because the income tax ate up such a large part of his income that he was transferring a lot of it to income tax free securities. The company had a local board of directors, its affairs were audited by a firm of local chartered accountants, and a former employee of that firm was acting as secretary-treasurer. Most of its business was carried on in the United States, and a very large volume of business was being transacted according to invoices and other documents which passed through the office. It is now believed that a large number of these were forged, that the business was mainly fictitious, and that while some music was published, there was no real business at all to correspond with the documents.

The books of the company, and apparently there were documents to support them, showed that enormous profits were being made, and that hundreds of thousands of dollars were on deposit in the United States. Hearst disclosed to his business associates a plan he had on foot to get control of practically the whole sheet music business of the United States, and apparently they were full of confidence in his ability to swing a big deal. The only complaint the local directors had was that they wanted the big bank account of the company transferred from New York to Winnipeg, and this was promised them. There was no doubt about the existence of such an account. The books of the company showed that the money had been earned, and a firm of chartered accountants had audited the books and confirmed the deposit.

Probe Bank Account

When the auditors, in pursuit of their duties, came to checking the deposit in New York, they wrote a letter to the Chase National Bank there, asking for detailed confirmation of certain transactions, and Hearst endorsed the letter to show that the information could be furnished. A reply came back on the stationery of the Chase National Bank, addressed, it is true, not to the auditors, but to Hearst at his home, confirming all transactions in detail, according to the books. In addition the letter referred to large transactions apparently being carried on by Hearst, to large oil wells in which he was interested; offered him money for his financing and repeated an offer previously made of a seat on the board of the bank. If that did not interest Hearst the bank would be glad to get him a place on the board of a Canadian bank, their correspondents in this country. The letter was accepted by the auditors, and it seems also to have been accepted by some of the members of the company as confirming their opinion of their president as a financial genius. The bank has since repudiated all knowledge of Hearst, of his company, or of his letters. A million dollars, or thereabouts, shown in the letter to be carried in various accounts owned or controlled by Hearst, was non-existent, so far as they were concerned. Of late, Hearst was supposed to be rushing from one city in the United States to another in pursuit of the business of the company and his forthcoming amalgamation. Local directors became uneasy when his return was delayed, and J. W. Wilton, vice-president, undertook some investigation on his own account. Then came the expose that the half-million dollar bank account was non-existent, and the whole enterprise fell open like a book.

May Have to Repay

Shareholders received large dividends, anywhere from 15 to 50 per cent., to offset the amount they paid for shares. Now it is claimed that if the dividends were improperly paid out of capital, they may have to be refunded to meet liabilities. Ordinary liabilities probably do not amount to a great deal, as its business was probably not really extensive. But what worries the shareholders is the fact that Hearst just recently discounted notes of the company to an amount of $175,000, or more, signed by both himself and secretary.

Losses of shareholders are in many cases very large, and in some cases represent the entire savings of elderly and retired people. He and his agents made a particular drive in the country on farmers known to possess bank stock, who after the Home Bank episode were readily persuaded to trade in their shares. Many others sold Victory bonds. Just recently it is understood that fifty or sixty thousand dollars was secured from new shareholders in London, Ont.

The exact state of affairs is being unraveled with some difficulty, because when many records have so obviously been falsified, it is impossible to know what can be relied on, until information is checked and rechecked. Possible confederates in other cities are being looked for, who may have helped build up the gigantic fiction of the great and flourishing business of the Hearst Music Publishers, Ltd.

ROCKY MT. LUMBER INDUSTRY SUFFERED

Year Has Been One of Declining Prices and Orders—Inventories Large

From Our Own Correspondent.

NELSON, B. C.—Lumber production, lumber shipments, and returns from lumber sold, for the mountain territory, all show a decline for 1924 as compared with 1923, according to estimates made by Secretary I. R. Poole, of the Mountain Lumber Manufacturers' Association. The cut of lumber, including sawn ties, is estimated at 250,000,000 feet, board measure, against 300,000,000 feet in 1923, a reduction of one-sixth. Shipments saw a larger decline, from 310,000,000 feet in 1923 to 240,000,000 feet in the current year. Thus stocks at the mills appreciated by 10,000,000 feet, and are estimated to stand now at something under 170,000,000 feet.

Figuring the average price for the year obtained by the mills at $23, against $25.25 the year before, the value of the lumber shipped during 1924 comes to $5,500,000, whereas the 1923 shipments were disposed of for $7,800,000. This is a decline in returns of $2,300,000.

United States and prairie provinces took relatively less of the mountain output than in 1923, while Eastern Canada and the "home" market took more. Against 35 per cent., in 1923, the American market absorbed 32 per cent. Prairie percentages declined from 47 to 44. Eastern Canada increased from 11 to 14, while B. C. consumption rose from 6 to 10 per cent.

The most serious feature has been the low price. Apart from the decline in average price, some individual items sold $5 to $12 below the year's opening prices, and it is figured by the mountain operators that they have parted with their product for less than the cost of production. Against this decline there has been no offset in the way of cheaper labor or supplies or lower taxation.

TOURIST INCOME OFFSETTING OUR INTEREST BILLS

(Continued from page 1)

They are pretty well determined to keep the flow going. The incoming of tourists from the other side is sure to be accompanied by considerable investing.

A Profitable Business

There are thousands now looking to the tourist business as the one means of yielding them a sure and considerable profit. These people reason that the domestic demand for what they have to sell is not growing anything like they thought it would, and they do not look for any marked increase for a while. Consequently they look on this new source of revenue from tourists as a veritable god-send.

Australians and New Zealanders who pass through here marvel at the huge sum of money that Canada is receiving through American tourists. They are quick to see that in developing this kind of business they are so far off the direct line of the world's travel, so far from the country, whose people have the money wherewith to travel, that they are outclassed. One of them here recently expressed surprise that Canada could borrow money at 1 per cent. cheaper than these Dominions could. Of course, the reason is that this country lies right next to the cheapest and most abundant money market in the world.

Through its work in developing tourist traffic, the National Parks Branch here has showed itself to be one of the most business-like in the whole government service. It has hit upon gold nuggets just as truly as the miners in Northern Ontario have been doing.

MOTOR CAR EXPORTS FIND NEW MARKETS

Fewer Cars Sent to Old Buyers But Newer Countries Take Larger Quantities

From Our Own Correspondent.

OTTAWA.—There was an increase in the number and value of automobiles exported in November as compared with those in October. There was also an increase of 318 in the number exported as compared with November, 1923; but the value was $140,000 less than during that month. The number of freight and passenger cars shipped in November, 1924, was 5,805, as compared with 5,487 in November, 1923. It would seem a rash conclusion that the exports of automobiles generally is increasing. As a matter of fact the total number of cars shipped out during the 12 months ending November, 1924, was 59,005, or 9,484 below the number during the preceding year, while the value was less by about $6,000,000.

The exports by countries in November, 1924, show a considerable change from those during the corresponding month of 1923. Shipments to Great Britain fell off from 810 to 320; those to Australia from 2,379 to 1,977. On the other hand, shipments to British India jumped from 452 to 840; those to the Straits Settlements from 86 to 234; to New Zealand, from 788 to 1,131; to British South Africa, from 34 to 145; to Egypt, from 12 to 37; to Argentina, from 174 to 285; to Brazil, from 8 to 59; to Denmark, from 1 to 60; to the Dutch East Indies, from 113 to 244; to Uruguay, from 11 to 40; to Siam, from 14 to 29, and to Germany, from none to 15.

From this it is evident that while exports to Great Britain and Australia have fallen off considerably, a larger market has been found in other countries. The future of the demand in Australia and New Zealand will probably depend on the extent to which they increase the percentage of British labor required on cars before they can get the full benefit of the British Preference.

BUSINESS WAITS UNTIL BUDGET IS BROUGHT DOWN

(Continued from page 1)

the government can't afford to stake all its chances on Western support.

Better in United States

A great deal has been said in the past about the superiority of our system of government as compared with that of the United States. Insofar as the welfare of general business is concerned, this must be taken with considerable salt. The more one sees of administrative life in Ottawa, the more one is convinced that from an administrative standpoint the Americans have something on us, insofar as business is concerned. For one thing, the United States cabinet minister is purely an administrator; whereas under our system he has to be part administrator and part politician, with the grave danger of falling down on both jobs. Being thus divorced from politics, the members of the cabinet across the line have a better chance of viewing a business proposal from a purely business standpoint.

Take the estimates as a case in point. Those for the United States fiscal year beginning July 1, 1925, were submitted to Congress at the beginning of December. American business interests thus had seven months' notice of what it would have to go up against in the matter of taxes. On this side of the line it was unlikely to know until the new fiscal year has actually begun. One of the real reasons why the United States is reducing expenditure and taxes more rapidly than in Canada is because their government is more business-like in its methods. Their parliamentary procedure does not look as good as ours, but when it comes to getting action on expenditure and taxation, the Americans get there.

Tilsonburg Grants Exemption to Regal Oils Corp. Plant

Tilsonburg has ratified a by-law granting 10 years general tax exemption to Regal Oils, which proposes to erect a gasoline cracking plant at that point. President W. B. Brooks says only a small amount of stock has been sold to directors and the company has not decided on its financing plans as yet. A good sized site has been secured at Tilsonburg and is crossed by two railways. He says they will use the "Dubbs" cracking process for which they have a license, and declares that the enterprise is to be conducted as a conservative commercial proposition.

BELDING-CORTICELLI LIMITED

The Directors of Belding-Corticelli Limited are making a distribution from the earnings of the half-year ended November 30th, 1924, of two (2) per cent. on the Common Stock of the Company, payable January 15th, 1925, to Shareholders of record January 2nd, 1925.

By Order of the Board.

J. P. KENNEDY,
Secretary pro tem.

The Dominion Bank

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, 28th January, 1925, at twelve o'clock noon.

By Order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 21st November, 1924.

Canadian Industrial Alcohol Company Limited

Dividend Notice

NOTICE IS HEREBY GIVEN that a dividend of thirty-two cents (32c) per share has been declared on the Capital Stock of this Company for the quarter ending 31st December, 1924, payable 15th January, 1925, to shareholders of record at the close of business 31st December, 1924.

By Order of the Board.

J. GIBSON LAWRENCE,
Secretary.

NIPISSING MINES CO., LTD.

Head Office, Toronto, Canada

The Board of Directors has to-day declared a Quarterly Dividend of THREE PER CENT. and THREE PER CENT. EXTRA, payable January 20, 1925, to shareholders of record December 31, 1924. Transfer books close December 31, 1924, and reopen January 19, 1925.

P. C. PFEIFFER,
Dec. 19, 1924. Treasurer.

Manufacturers' Finance Corporation, Limited

Notice of Dividend

NOTICE IS HEREBY GIVEN that Dividend Number Five (5) has been declared upon the Preference Shares of the Company, payable January 15th, at the rate of eight per cent. per annum, to Shareholders of record as of the 31st day of December, 1924.

W. M. McDONALD,
Secretary.

Toronto, Dec. 23rd, 1924.

THE BANK OF NOVA SCOTIA

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 28th January next, at eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board,

J. A. McLEOD,
General Manager.

Halifax, N.S., December 24th, 1924.

PENMANS LIMITED

Dividend Notice

NOTICE IS HEREBY GIVEN that the following Dividends have been declared for the quarter ending 31st January, 1925:—

On the Preferred Stock, one and one-half per cent. (1½%) payable on the 2nd day of February to Shareholders of record of the 21st day of January, 1925.

On the Common Stock, two per cent. (2%) payable on the 16th day of February to Shareholders of record of the 5th day of February, 1925.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, Que., 29th December, 1924.

The Toronto Mortgage Company

Quarterly Dividend

NOTICE IS HEREBY GIVEN that a Dividend of two and one-half per cent., being at the rate of ten per cent. per annum, upon the paid-up Capital Stock of this Company, be declared for the current quarter, together with a bonus for the year of one per cent., both payable on 1st January, 1925, to shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.

WALTER GILLESPIE,
Manager.

THE CANADIAN BANK OF COMMERCE

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 13th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,

JOHN AIRD,
General Manager.

Toronto, October 31st, 1924.

Howard Smith Paper Mills Ltd.

Dividend Notice on Preferred Stock

Notice is hereby given that a dividend of 2% on the Preferred Stock of the Howard Smith Paper Mills Limited, has been declared for the quarter ending the 31st day of December, 1924, payable on the 20th day of January, 1925, to Shareholders of record at the close of business on the 10th day of January, 1925.

By Order of the Board.

HAROLD CRABTREE,
Secretary.

Montreal, December 22, 1924.

Provincial Paper Mills LIMITED

Dividend Notice

NOTICE IS HEREBY GIVEN that Dividends have been declared by PROVINCIAL PAPER MILLS, LIMITED, as follows:

Regular Quarterly Dividend, 1¾% on Preferred Stock.

Regular Quarterly Dividend 1½% on Common Stock.

All payable January 2nd, 1925, to Shareholders of record as at close of business December 15th, 1924.

(Signed) S. F. DUNCAN,
Treasurer.

BRITISH COLUMBIA ELECTRIC RAILWAY.

Review of the Company's Business.

Progress and Prosperity.

Vancouver as a Shipping Port.

The twenty-eighth ordinary general meeting of the members of the British Columbia Electric Railway Company, Limited, was held on Thursday, the 18th Dec., 1924, at the Great Eastern Hotel, Liverpool Street Station, London, E.C., Eng., Mr. J. Davidson (deputy-chairman) presiding.

The Secretary (Mr. R. W. Bartlett, A.C.A.) having read the notice convening the meeting and the report of the auditors,

The Chairman said:— Gentlemen, I have to apologize for the absence of the chairman of the company, Mr. R. M. Horne-Payne. He has asked me, as his deputy, to take the chair, and to read his speech to you, which I will now do, with your permission. It is as follows:— "It is a very great pleasure to us to meet you to-day with a statement of affairs which reflects a year of satisfactory progress and prosperity.

"The net revenue of the company is £424,261 10s. 9d., as compared with £416,472 7s. 9d. last year, despite the fact that in April, 1924, the company spontaneously made a large reduction in its charge for current for domestic lighting, as stated in the report. I am happy to be able to state that the public have demonstrated their appreciation of this policy, and realize that we are as constantly and as much concerned for their direct interests as we are for our own. The relations between the public and the company are most cordial.

Dividends

"Interim dividends on the Preferred and Deferred stocks of 3⅞ per cent., free of tax, were paid to you in June last, and, as you will see from the report, we recommend you to approve the declaration of final dividends of 18s. 8d. per cent. on the Preferred Ordinary and £2 12s. 2d. per cent. on the Deferred Ordinary stock, both free of income-tax, making, with the interim dividends already paid, total dividends for the year of £4 16s. 2d. per cent., free of tax, on the Preferred Ordinary stock, and £6 9s. 8d. per cent., free of tax, on the Deferred Ordinary stock.

"These dividends are not large, but they will no doubt be regarded as satisfactory, having regard to the fact that we are able to pay them after making proper allowance for depreciation, and providing in a proper manner for the upkeep of the property. In considering this matter, we have also to take into account the fact that expansion in the territories served is once again the order of the day, and it is necessary for us to provide some time ahead the increased facilities which we know will surely be required from us in transportation, light, power, and gas services, the expenditure on which, however, does not become fully revenue-producing immediately.

"The booklet which was sent to you at the beginning of the year describes and illustrates the company's property so fully that I will not detain you with any remarks upon that subject.

Remarkable Development of Vancouver

"I would like, however, to give you some information regarding the remarkable development which has so rapidly increased the importance of Vancouver as a shipping port and will undoubtedly before long make Vancouver one of the greatest ports in the Empire.

"I refer to the shipment of grain via Vancouver from Western Canada to the great markets of the world. This grain formerly went by Eastern Canada or United States routes. During the year 1921 shipments of grain through Vancouver were returned at 1,251,071 bushels. In 1922 shipments had increased to 14,463,833 bushels, and in 1923 to 24,663,017 bushels.

"This expansion in the shipment of grain through Vancouver has led to a great increase in the demand for elevator storage accommodation and in the number of ships entering the port. The grain elevator storage accommodation, which in 1923 was sufficient to handle 1,250,000 bushels, has been now so increased that the port of Vancouver will have elevator storage accommodation of over 6,000,000 bushels available for handling the 1924 crop. (Hear, hear). The number of deep-sea vessels entering the harbour in 1923 was 845, as against 717 in the previous year, while the total number of vessels of all classes using the harbour in 1923 was 19,608, or 2,959 more than in the previous year.

"The total net tonnage of vessels of all classes using the port in 1922 was 7,634,993, as compared with 8,427,282 in 1923, while the total gross tonnage in 1922 was 12,214,329, as against 13,436,989, an increase in net tonnage for the year 1923 of 792,289 tons and in gross 1,222,660 tons.

Expansion of the Company's Business

"I have selected these figures from the report of the Harbour Commissioners of Vancouver as indicative of the prosperity and progress of British Columbia even at a time of general trade depression. The effect of the development is shown, with one exception, in every department of our business as compared with the previous year. The number of passengers carried has increased by 559,783; power delivered by nearly 24,000,000 k.w.h.; individual consumers of power by 3,842; and motors connected by 6,720 h.p. The amount of gas sold also increased by approximately 80,000,000 cubic feet. The sole exception was our freight traffic, where the tonnage carried decreased by some 26,500 tons. This was due, as explained in the report, largely to exceptional circumstances — mainly to the very serious stagnation in the lumber trade. We have reason to hope that this business during the current year will increase. We have recently concluded an agreement which will enable us to compete in Vancouver for the handling of freight consigned to certain districts, which under previously existing conditions we were debarred from handling.

"I am glad to say that never in the history of the company, of which I have been chairman for 27 years, do I remember a time when prospects appeared so bright as they are to-day. I am sure that you will agree with me that the picture of progress and prosperity shown by the figures just given you justifies the faith which your directors have always felt and continually expressed as to the future of the Province of British Columbia and of your company.

Tribute to the Executive in British Columbia

"The report, perhaps, does not convey to you a full appreciation of the incessant labours which this growth of your enterprise imposes upon management and directors. The enterprise now involves a capital investment of some $62,000,000, or, say, £12,750,000. It is steadily growing, and we cannot sit down and simply carry on our routine business, as in the case of concerns which have reached their maximum development. Future requirements have to be carefully studied and estimates constantly revised, and a combination of caution and courage is required—caution to ensure that we do not provide too far ahead, and courage to see that we do not lag behind, but make provision in good time to supply the reasonable requirements of the communities we serve. In these labours the company is well served by the members of the board and executive in British Columbia, with whom constant touch is kept. Your president, Mr. Kidd, to whose untiring efforts and great ability the company is primarily indebted for its success, paid a visit to London this year. We have also this year had the advantage of seeing Sir Frank Barnard on this side, and your vice-president in Victoria, Mr. Goward, who has ably served the company for over 27 years; also your comptroller, Mr. Adams, and the manager of your gas companies, Mr. Keillor, who has developed in a remarkable manner the manufacture and sale of gas. I am glad to take this opportunity of expressing our appreciation of their continuously satisfactory work, and to put on record our appreciation of the loyalty, courtesy, and keenness of our whole body of employees, whose qualities do so much to make the services provided by your company second to none in Canada or elsewhere."

Before inviting any remarks or questions I will move:— "That the balance-sheet as at June 30, 1924, and revenue account for the year ended on that date, together with the reports of the directors and auditors thereon, be and are hereby received and adopted."

Sir Ernest Harvey, K.B.E., seconded the resolution.

A Stockholder's Congratulations

Sir William Fry congratulated the board on their great foresight and vision with regard to the enormous possibilities of Canada. The figures given in the speech of the chairman with reference to the development of Vancouver as a port showed the immense possibilities which existed there.

Mr. Capell asked whether the chairman could tell the stockholders what had been the result of the recent reduction in the charge for current for domestic lighting.

Mr. Mackay said he would like to know if the chairman could tell them whether there had been any revival of building operations in the Vancouver district.

The chairman, in reply, thanked Sir William Fry for his congratulatory remarks. With reference to the inquiry as to the result of the reduction in the charge for electric current, it was too early to state the precise effects, but their experience of past reductions showed that consumption was always stimulated thereby, and he believed it would have the same effect in the case of the last reduction. In regard to building operations in Vancouver, he could say that when he was there last year and two years before he had seen a tremendous increase in the number of houses being built, especially in the residential district of Point Grey.

The resolution was carried unanimously.

The chairman next moved the payment of the dividends recommended by the directors, and the motion was seconded by Mr. G. P. Norton and passed unanimously.

On the motion of Mr. Harold G. Brown, seconded by the chairman, the Hon. Sir Frank Barnard, K.C.M.G., and Mr. G. P. Norton were re-elected directors of the company.

Mr. T. Blundell Brown proposed a vote of thanks to the president and staff of the company in British Columbia, remarking that the shareholders had reason to be congratulated upon the manner in which the affairs of the company were conducted in Canada. The results of the past year's working were a better testimony than anything he could say as to the excellence of the management out there.

Sir Ernest Harvey, in seconding the motion, said he would like to take the opportunity of expressing the sympathy of the board with the Province of British Columbia in the death of the Agent-General, Mr. Wade, which happened a short time ago. That gentleman had been a very able, capable, and hard working representative of British Columbia.

The vote was unanimously accorded.

Messrs. Price, Waterhouse, and Co., of London and Vancouver, were elected auditors of the company for the ensuing year, on the proposition of Mr. D. Northall Laurie, seconded by Mr. John Horne-Payne.

A hearty vote of thanks to the board for their conduct of the affairs of the company during the past 12 months concluded the proceedings.